Daily Report

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FBIS-EEU-92-145 *28 July 1992*

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Romania

The Supreme Court annulled a ruling by its military section sentencing Nicu Ceausescu to 16 years in jail for "genocide only insofar as instigation to aggravated murder is concerned," ROMPRES reports. Ceausescu remains under arrest.

Poland

PAP reports that on 28 July, Defense Minister Janusz Onyskiewicz said: "Poland intends to sign an agreement on military cooperation with Russia." He added: "Poland is concerned about building a system of common security in Europe, a task that cannot be carried out without Russia."

Bosnia-Hercegovina

According to TANJUG, Radovan Karadzic, president of the Serbian Republic of Bosnia-Hercegovina, said in a telephone statement: "The Muslim side has dealt a serious blow to Lord Carrington and British diplomacy by refusing to negotiate." He noted: "Europe cannot look upon the Muslim side with sympathy."

Croatia

In response to "increasingly frequent demands" by UNPROFOR officials to hold a census, civilian authorities in the Republic of Serb Krajina stated that they "refused to allow" UNPROFOR officials "to interfere into their sphere of activity," TANJUG reports.

Czechoslovakia

Prague radio reports that during a news conference following talks with the Slovak National Council in Bratislava, Czech National Council Chairman Milan Uhde was asked whether the Czech National Council supported one of the possible variants for the federation's break-up. He said: "We presented our concept, our consent with the four options, and at this moment these options are on par with each other."

In remarks on the talks carried by Prague radio, Ivan Gasparovic, Slovak National Council Chairman, noted the agreement between the Czech and Slovak Councils on the adoption of two constitutions by saying, "We have in practice agreed that we will do everything to ensure that there is cooperation in this area."

Albania

During a question and answer session with reporters, Tirana radio reports that President Sali Berisha responded to a question about Kosovo by saying: "We express our opinions, and I will insist on solving this crisis. We will defend our views. We will try to find a constant solution that is accepted by all."

Yugoslavia

Montenegro—TANJUG reports the arrival of FRY President Dobrica Cosic for a two-day visit on 27 July. "Immediately on arrival," Cosic began talks with President Momir Bulovic. At a news conference carried by Belgrade TV, Bulovic said: "The talks dealt with the harmonization and coordination of activities concerning amendments to the Constitutions of the Federal Republic of Yugoslavia and the adoption and promulgation of the new Constitution of the Federal Republic of Yugoslavia."

Reporters Question Berisha About National Issues

AU2607135392

[Editorial Report] Tirana Radio Tirana Network in Albanian at 1830 GMT on 24 July carries a live relay of a news conference by President Sali Berisha held in Tirana after the end of the Group of 24 meeting.

Genc Pollo opens the conference. President Berisha then takes the floor. After finishing his speech, Berisha states: "Foreign observers will come to monitor this electoral campaign. They are from the Council of Europe and other international institutions that specialize in monitoring free elections." He stresses the fact that "Albania is always open to reporters."

President Berisha then answers reporters' questions.

Asked whether several reporters who spread panic in the newspapers and call for a civil war should be held responsible before the law or not, Berisha states: "I am very concerned about the evident lack of publishing and political ethics of some reporters and newspapers. I think that this problem should be solved through the Law on Press. As far as I know, the People's Assembly and the Reporters' League held talks with the Council of Europe. I think that an ethics should be reflected, because this serves the dignity of the political culture and the human one in general."

Asked about some accusations made against the government, Berisha says: "I think that in the history of this nation, the government of Mr. Meksi is the one that has served the nation better. It is precisely this government that is representing us in a dignified way in the international community. This government has gotten the international institutions and community to consider its ideas, and its views are reflected in their documents. The national question depends on the angle from which you view it. If someone sees this question with red spectacles, I want to stress that he is really right in his accusations. We should not consider the national question with other colors, but with the colors that all the other peoples of Europe see it and which are really national."

Responding to the question by a television reporter on how he views the 26 July elections and what contribution they will make in the political life if another political force wins, Berisha answers: "I consider the 26 July elections one of the most important events in the life of Albanian democracy. These elections will complete the democratic government. I cannot say which is the most important, the local or the central government, but I want to say that both are vital elements for a democratic government. Concerning your supposition on whether another force will win, I do not believe in these if's too much. I am convinced that with their wisdom Albanians will further strengthen the prosperous road we began on 22 March."

A ZERI I POPULLIT reporter asks three questions of the president; first, on residence inspections by the forces of order; second, whether the local government bodies have the right to hold an electoral campaign or not; and the third concerning the president's visit to the Tirana Court. Berisha answers: "Concerning residence inspections, the new law allows the forces of order to make inspections for weapons. If the police forces have inspected for other problems, they should be held responsible. As far as I know, they have dealt neither with Enver Hoxha's letters or old time relics, but they have simply inspected for the carrying of weapons. The People's Assembly has given them this right. Regarding the participation of electors Uka and Shehi [food and labor ministers] in the electoral campaign, you know that they are Democratic Party [PD] deputies. I do not know who can prevent a deputy from carrying out an electoral campaign for the political force that has elected him. They are campaigning not as ministers, but as PD deputies, and this is an unfailing right of a deputy. The deputy is a public man everywhere in the world. He has undeniable public functions. It is his duty to communicate with his electorate. Regarding the Tirana Court, I can say that its staff is good and works under difficult conditions. It is my right to visit the court, and the Constitution grants me this right. It is an undeniable fact that unfortunately there were corrupt elements in the offices of justice. There are also some others who do not find it within themselves to cleanse their soul. The Council of Justice and I as chairman have undertaken a series of measures to reform these bodies. I have to hold meetings with lawyers in conformity with my constitutional functions."

Asked about the topic of dual nationality, Berisha says: "I have had the special pleasure to decree the act of dual nationality, which marks the spiritual integration of Albanians. Hundreds of thousands of Albanians live today in various countries. They are honorable citizens of the countries in which they live. We cannot ask them to give up their nationality or to take the Albanian one. They have become established wherever they are. We decreed the dual nationality concept for their blood ties, ideals, love for Albania, and their ability to help. We wanted to end once and for all the breaking up of this nation and bid farewell to the great splitting force of communism. This is well received by all the honest Albanians and all those who want to consider Albania as a temple and home. A small group of persecutors, who devoted their life and activity to splitting this nation apart, are afraid of this. Albanians are breaking with the past and persecution and are looking forward and fighting to be integrated with other countries."

An ATA reporter voices the concern of RILINDJA DEMOKRATIKE that the PD may lose 5-15 percent of the vote in the 26 July elections. Berisha answers: "I would like you to have addressed this question to the PD chairman yesterday. I am sitting here as president of the republic."

Asked whether it is wise to show the Socialist Party the limits of democratic freedoms by applying the law against its actions, Berisha states: "It is with dignity, seriousness, and political maturity that the law is applied to all the

political forces. We should not forget that the time when the committee or the party or government made the law has gone and will never return. I would like to insist that all the forces of the Albanian political spectrum respect the law and not allow unlawful activities."

Asked by a reporter about the Yugoslav situation, Berisha answers: "In the meeting I held with Mr. Andriessen, I clearly expressed the view and opinion of the Albanian Government about solving the crisis. I expressed my view that we do not ask for a change of borders, but for a constant and acceptable solution. If we go back in history, the Yugoslav federation that was created on the basis of international agreements was asserted as an artificial tragic creature for the peoples who lived in it. If some years ago, the idea by Milan Kucan to form a national federation would have been approved, we would not have experienced the great drama of Croatia and Bosnia. The Serbian fanatic circles objected to it, and this brought the development of the conflict and war in the region. We cannot refrain from being very concerned when, after the failure of the first artificial federation, the Serbs created a second federation with the same principles, one that carries the same dangers for the region. What we ask from the EC, the United States, and the UN is a constant solution that will not carry the dangers of war in itself. An agreement under pressure has consequences. We are encouraged by the efforts of Lord Carrington, who is trying to organize an international conference on Kosovo. We support and vigorously greet Mr. Ibrahim Rugova for his readiness without conditions for an unconditioned dialogue. We know that this initiative of Mr. Carrington found no support from Cosic and Milosevic. This does not mean the end of the international community efforts toward a solution. Some statements by Cosic are to be greeted, if they can be realized."

Asked whether the Group of 24 meeting was organized by the PD for electoral reasons, Berisha says: "The PD would have to be an intercontinental party to have convinced all the industrialized and developed world to participate in its electoral campaign. This is a politically immature hypothesis. Independent from party preference, Albanians should express their sincere gratitude to the industrialized countries that came to support Albania on its road to reform."

Asked whether there is a possibility that people can return to a normal life, he states: "I think that the return to a normal life has very good beginnings. The word normal has a wide scope. It is normal not to have difficulties. I and everyone here have had difficulties all our lives. We should try to come out of them and alleviate them. The resumption of work in the Albanian village is normal for me. It is very important that the peasants have sowed the land and are selling products with the prices they want. We ensured the raw material supplies, and work has started in enterprises."

Asked about various leaflets of chauvinist Greek circles circulating in the southern area and raising their old "pretensions," Berisha states. "You know that there exists a positive and constructive dialogue between the governments of both countries. I hope that Albania and Greece can solve their problems in the spirit of this dialogue. Regarding the activity of several organizations installed in Athens, such as that of Himara or any other, I expressed my concern to Mr. Mitsotakis. With their ananchronistic activity, the people of Himara have taken an honorable place in the history of Albania. Its captains defended not only Himara, but the whole of Albania. All the tendencies that try to present it without Albanian colors are absurd and ridiculous. I am convinced that these have nothing to do with Greek official political circles. Mr. Mitsotakis said that these tendencies are old, but I hope that they will not be allowed to continue their activity."

Asked by a Tirana Radio reporter whether he will continue to inform the world about the Kosovo issue, Berisha answers: "I can say that there exists not only an Albanian but an international concern about the question of Kosovo. It is undeniable that the EC, the United States, and all the countries of the world are very concerned about solving this crisis. We express our opinions, and I will insist on solving this crisis. We will defend our views. We will try to find a constant solution that is accepted by all."

Asked by a XINHUA Chinese reporter on prospects of Chinese-Albanian relations as the Chinese deputy foreign minister is coming to visit Albania, Berisha states: "Albania aims to establish good relations with all the countries on new bases, including even your big country, for which culture and history I have a special respect. I hope that the visit of your deputy foreign minister in Tirana tomorrow will serve to strengthen these relations."

Meksi Views Election Influence on Economic Reform

AU2707211592 Tirana Radio Tirana Network in Albanian 1300 GMT 27 Jul 92

[Interview with Prime Minister Aleksander Meksi by Arben Kaprici; date and place not given—recorded]

[Kaprici] Local government elections have ended, regardless of whether the results have been announced. To get an idea of whether these elections will affect the economic reform, we spoke with Prime Minister Aleksander Meksi. Thus, Mr. Meksi, the future of Albania and the Albanian people depends on economic policy. How will the reform continue after these elections?

[Meksi] The 26 July elections closes the democratic election for political and administrative management of Albania. In the 22 March elections the people spoke, and set the political course. Concerning local government, new locally managed government in different fields [word indistinct] in communes, municipalities, districts, we still do not know definitively about the results but we know that the elections occurred. Of course, they will show clearly the electorate's tendencies and preferences for particular persons in communal elections, and for parties in district elections.

The election results also have political significance. When the Albanian people provided the political solution in the 22 March elections, they took the path toward democracy. This is the political support for achieving the reform, which, after these local elections, will have the structures necessary to make it faster and more effective. You know that a number of activities are administered now by the local governments, such as employment, welfare, compensation, and emigration. The local governments support the reform for this reason. Cooperation between the executive branch and local government will be effective if it operates according to the reform. On the contrary, if a government is against the reform, it will be pointless. All Albanians have expressed that they want reform, and we do not know anyone, no matter what opposition party he belongs to, who has found another way, apart from the economic reform supported by the international institutions, to help Albania in the difficult situation it was left in by the communist regime.

Commission Chairman Comments on Elections

AU2707210292 Tirana Radio Tirana Network in Albanian 1330 GMT 27 Jul 92

[Statement by Central Electoral Commission Chairman Vladimir Kristo on 27 July; place not given]

[Kristo] In my opinion, one thing should be clear. It is true that these elections are much more complicated in comparison with those of the last year. Many difficulties will appear because we have three levels of elections. There are elections for the councils of districts, councils of municipalities and communes, and elections for municipality and commune chairmen. There is another problem, in that these three levels are completely independent of each other regarding their activities and are not responsible for each other. Each will publish its own results independently. If the district executive committee, the former pluralist committee that is working to administrate the elections, or the district commission try to publish the election results for district councilors, they will find it impossible. This might be possible in the cities, but the municipalities and communes will have no interest in providing complete results from their electoral centers within 24 hours, that is, by 1800 tonight. Our country has other difficulties that are well-known, such as communications, telephone lines, [word indistinct]. All these made it impossible for us to give exact figures that will give us an idea, not a complete one but an indication, on how the elections have proceeded. This is the main problem.

I am of the opinion that we can no longer expect the participation of previous years. We lived in a totally different system and those elections had a special political character in comparison with the present, which does not have such a character. There may be unimportant and other interests in these elections, which means that participation is [indistinct] voting, however, I think that this participation should be higher in comparison with the figures that are given on radio and television.

Government Press Office Reports Economic Policy

AU2707185292 Sofia BTA in English 1130 GMT 27 Jul 92

[Text] Sofia, July 27 (BTA)—The first issue of the INFORMATION, ANALYSES, FORECASTS newsletter published by the Press Office of the Bulgarian Government runs an assessment of the cabinet's performance and intentions in financial policy.

At the beginning of its term in office the government adopted a short-term economic policy seeking an economic stabilization of the country, a restraint of inflation, a stop of the decline in production and control over the growth of unemployment.

1992 saw a persistent strengthening the national budget and turning it into a stabilizing factor, the bulletin says. At the end of May 1992 the budget was in a relatively good condition despite the generally unfavorable business climate in the country. The country is applying all fiscal criteria in implementing the standby agreement with the IMF. The budget deficit and net government borrowing from banks are below projected levels for the period. An analysis of the budget balance and its financing show that in the first five months of 1992 the budget was not inflationary, the publication says.

The government retains its control of credits to the non-governmental sector through setting credit ceilings to each commercial bank. The persisting decline in production and the rise in wages have prevented the planned mitigation of credit restrictions, yet the National Bank of Bulgaria took a cautious step in this respect, reducing the base interest rate from 54 to 59 percent in early July.

The government carried on the implementation of its income growth regulation programmed in coordination with trade unions and employers. Despite the pressure, the cabinet prevented an increase in the wage fund in the state financed sector before mid-1992.

In the medium turn, the government is planning to stabilize the budget revenues to GDP [gross domestic product] ratio and the budget spending to GDP ratio at 35:37 and 40:42, respectively.

The principled aim of the cabinet's monetary policy is to curb and reduce inflation. To this end, it will seek to project the growth of "broad money" within a limit close to the expected growth of the nominal GDP.

The government's policy is intended to end the contraction of consumption. In 1992 it will seek to keep the real incomes at their 1991 level and seek to raise them in the medium term.

Domestic financial policy is an integral part of the government's entire economic program, the bulletin says. Its implementation is closely related to the external conditions of the economic reform. Despite the stabilization achievements, the economy's structural adjustment has only just started, the publication says. A halt of the reform would threaten with a return to economic imbalance. The economy must make rapid progress in structural adjustment to achieve sustainable growth, the publication concludes.

KNSB Urges Government To Negotiate With Unions

AU2707140192 Sofia TRUD in Bulgarian 18 Jul 92 p 1

[Text] The Executive Committee of the Confederation of Independent Trade Unions in Bulgaria [KNSB] has sent a letter to the president of the Republic, the prime minister, the National Assembly chairman, the International Confederation of Free Trade Unions, the European Trade Union Confederation, the International Labor Organization, their colleagues in the Podkrepa Labor Confederation, and to their own organizations. The letter states the following:

The KNSB Executive Committee is seriously disturbed by the severe exacerbation of the situation in the country and by the utilization of branch industrial disputes and conflicts to foment political hysteria. Social and civil peace is achieved not by threats and the application of duress, but through dialogue and constructive negotiations. In this connection:

We insist that the political conflict that has begun between the Union of Democratic Forces [SDS] and the Podkrepa Labor Confederation should be settled separately from the trade union conflicts and solely by the legitimate organs of the SDS and Podkrepa.

We believe that the campaign to discredit the trade union confederations, their leaders, and Dr. K. Trenchev in particular is disreputable and undemocratic. In a state subject to the rule of law, accusations are proved only by facts and through the courts.

We appeal to the government to immediately organize negotiations with the protesting and striking trade unionists, abandoning the tactics of provoking clashes, threatening legal proceedings, and promoting speculations.

The KNSB is ready to assist in effecting the transition from confrontation to constructive dialogue.

Czech, Slovak Council Leaders Discuss Cooperation

LD2707180192 Prague Stanice Ceskoslovensko Radio Network in Czech 1600 GMT 27 Jul 92

[Text] Representatives of the Czech and Slovak National Councils held talks in Bratislava today about the model for the division of the Czechoslovak Federation. Alena Mullerova and Zuzana Martinakova report:

[Reporter, in Czech] We are once again outside the Borik Hotel in Bratislava where the final briefing was given about an hour ago. Now just the main points from the meeting.

[Reporter, in Slovak] After about six hours of talks, the chairmen of the Czech and Slovak national councils, Milan Uhde and Ivan Gasparovic came to talk to journalists. The result of their meeting, among other things, is an agreement on the formation of commissions of the Czech and Slovak national councils which will concern themselves with individual areas as set out last week in the agreement adopted between the Movement for Democratic Slovakia and the Civic Democratic Party, that is civic-social, economic, foreign-political and defense issues. The commissions should meet for the first time on 14 August.

[Reporter, in Czech] The information was expanded by Milan Uhde, chairman of the Czech Assembly as follows:

[Begin Uhde recording, in Czech] I would like to add that the national councils will inspire the national governments to constitute these minicommissions. These minicommissions will work as very small groups—they will not be large formations. We expect that in the next two weeks they will be functioning on the level of experts, who will be appointed by both the prime ministers, and after the 14th they will possibly be joined by deputies from the thematically appropriate commissions of both the national councils, and we expect that their work will be very efficient. We have also informed the representation of the Slovak National Council that we have set up a commission in the Czech National Council for the purpose of discussion with the Slovak National Council. This commission has a proportional representation; represented within it are all the clubs of deputies. The representation of the Slovak National Council will initiate the proposal for a possible setting up of a similar commission of the Slovak National Council, or rather the Presidium of the Slovak National Council, at the session of the Presidium of the Slovak National Council which begins on Wednesday. So it would seem that the cooperation, and work on the future look of the cooperation between the Czech Republic and the Slovak Republic is developing quite rationally, and it looks promising that the vicious circle which our public and journalists are very familiar with from the past two years will not be repeated. [end recording]

[Reporter, in Czech] Then it was time for questions from journalists. The first was, which of the four methods of dealing with the present constitutional crisis they personally prefer—that is, by means of a law of the Federal Assembly, a declaration by the Federal Assembly, a referendum, or an agreement between the national assemblies? Both representatives said: All four are still in play. It is not possible to prefer any of the variants, the important thing is that everything should take place in a constitutional manner.

[Reporter, in Slovak] The talks also concerned the constitutions of the individual republics and the dates by which they should be adopted. On this both the Chairmen stated:

[Begin Uhde recording, in Czech] We informed one another, explained to each other that truly at present the Czech Constitution is in the preconception stage. We promised that as soon as certain documents which can be studied and read exist we will make them available, although they will not yet be adopted by any organs, but it would not be responsible to pretend that we are already at this point coordinating to the day of the adoption of the Czech Constitution. Simply we will keep in contact, and keep each other informed. [end recording]

[Begin Gasparovic recording, in Slovak] But we have in practice agreed that we will do everything to ensure that there is cooperation in this area, so that there is not too much of a time difference in the adoption of these constitutions, and we also agreed in practice that we will make every effort that the final provisions of these constitutions are similar. [end recording]

[Reporter, in Slovak] Some of the questions from journalists concerned the referendum, referring to a recently published public opinion poll in which most of those questioned called for a referendum. The chairmen of the parliaments did not reject this possibility; it remains open and possible. In reply to a point about what would happen if the referendum called for the preservation of a joint state, Ivan Gasparovic replied that he would naturally make all his future steps correspond to this.

Uhde Comments on Talks

LD2707204992 Prague Stanice Praha Radio Network in Czech 1630 GMT 27 Jul 92

[Interview with Czech National Council Chairman Milan Uhde by reporter Daniel Takac, after conclusion of talks with Slovak National Council, in Bratislava on 27 July—recorded]

[Excerpt] [Takac] [passage omitted] Let us now talk about the state and constitutional set-up. In this respect you said that today's talks were not talks about a common state. I would like to know whether you supported one of the possible variants of the federation's break-up?

[Uhde] No, we did not. We merely spoke in favor of the variant whereby the federal government would initiate

the discussion of a relevant law in the Federal Assembly. We presented our concept, our consent with the four options, and at this moment these options are on par with each other. However, what we said was based on the third part of the political agreements between the Civic Democratic Party and the Movement for a Democratic Slovakia from 23 July, or from last week. We discussed and set a certain course of action to be taken in agreeing on cooperation after the cessation and break-up of the federation. The point is that we feel that this has to be ensured now; no one will wait for us to do it. Providing the initiative of the Federal Assembly is adopted, this cooperation should be ready at this very moment, to prevent us harboring illusions or unnecessary delusions, to prevent us from sinking into (?despair).

[Takac] Is this some kind of a future safety valve?

[Uhde] It is quite undoubtedly a safety valve for the future. It is simply a rational consideration of what has been recommended by the political agreements. [passage omitted]

Defense Minister Refuses Speculation on Conflicts

LD2507083892 Bratislava Slovak 1 Television Network in Slovak 1700 GMT 24 Jul 92

[Excerpt] [passage omitted] At a news conference held in Bratislava today CSFR Defense Minister Imrich Andrejcak was asked by a Slovak television reporter whether soldiers and officers of Czech nationality will take part in a possible military conflict with the Hungarian Republic. The minister refused to give a direct answer. He then went on to remark that the present Czechoslovak Army does not know an enemy and that no one has the right to answer such a question until real military operations start. If, in the end, there is political will and a common enemy, then members of the Czech and Slovak armies will fight side by side.

In this connection the CSFR defense minister voiced a desire to hold a meeting with his partners from Poland and Hungary as soon as possible. Minister Andrejcak also pointed out that during all his talks with foreign partners he has been stressing that in no case will there be a change in the military-political doctrine the Czechoslovak Army has been guided by during the past two years.

At the meeting with journalists the defense minister also introduced Major General Julius Humaj, new commander of the Military Command East.

Defense Council Discusses Preserving Arms Plants

LD2707172792 Prague CSTK in English 1518 GMT 27 Jul 92

[Text] Prague July 27 (CSTK)—The Czechoslovak State Defence Council discussed at its session today problems linked to preserving Czechoslovakia's arms producing plants.

According to sources close to the Czechoslovak Government Office this means that these plants will not be in operation but their equipment will not be liquidated so that it may be used in the future if necessary.

On July 22, the Czechoslovak Government voiced agreement with allocating up to 1,000 million crowns (over 35 million USd) from the federal budget in support of the current conversion of the arms production to civilian one. Czechoslovak Economics Minister Jaroslav Kubecka (HZDS) [Movement for a Democratic Slovakia] said last week the money will be granted solely to plants where the conversion is under way and where its continuation might result in further economic difficulties.

"This applies particularly to the Slovak Republic", Czechoslovak Finance Minister Jan Klak (ODS) [Civic Democratic Party] said.

According to an official report on the session, the State Defence Council charged the Czechoslovak Defence Minister, Imrich Andrejcak, with tasks linked to the division of the Czechoslovak Army in case Czechoslovakia splits into two independent (Czech and Slovak) republics.

Sources close to the Czechoslovak Government Office stated that a complete division of the Army is probably impossible within the next two years.

Also discussed, according to the official report, was completition of the redeployment of the Armed Forces aimed at a balanced distribution of forces in the two (Czech and Slovak) republics.

The State Defence Council session, chaired by its chairman and Federal Premier Jan Strasky, took note of Slovak Premier Vladimir Meciar's assurance that in his recent statements he was not speaking about concentration of Hungarian forces on the borders with Czechoslovakia.

On July 9, Meciar told journalists that the exercises of Hungary's air force are "more intensive than those of NATO. Not that we think they want to attack us but we do not like these expressions of aggressiveness towards others", Meciar said.

Strasky told CSTK after the State Defence Council session that he considers Meciar's statements "a very significant political expression, as long as we are a united state".

The State Defence Council has wound up the whole matter and will not deal with it any more, Strasky said.

CSKOS President on Consequences of Breakup

LD2607183992 Prague CSTK in English 1716 GMT 26 Jul 92

[Text] Prague July 26 (CSTK)—The consequences of Czecho-Slovakia's breakup will be very bad for both the Czech and Slovak republic, Richard Falbr, president of

the Czech and Slovak Confederation of Trade Unions (CSKOS), said in a regular television debate on the past week today.

"He is mistaken who thinks - and we in the Czech lands tend to this - that our situation will improve once part of the budget ceases to be redistributed in favour of Slovakia", Falbr said.

"It would be honest to tell people that the home market will markedly narrow, that many enterprises now cooperating with partners (in Slovakia) will find themselves in massive difficulties, that we will buy oil and gas for dollars in Slovakia which will reduce our resources, that we will have much bigger difficulties abroad, that our debt will sharply increase so that not only our grandsons, but even their descendants will have to repay it", Falbr said.

Jiri Kovar, the ODS [Civic Democratic Party] deputy chairman and head of the Czech Government Office, said: "In our talks with the Movement for a Democratic Slovakia [HZDS] on the state setup we have carefully weighed each step from the point of view of its consequences for individual citizens. I want to say that we will follow this line so that a possible division of Czechoslovakia into two sovereign states do not excessively burden citizens".

Czechoslovak Finance Minister Jan Klak (ODS) said a common state of Czechs and Slovaks can be preserved only "if we have a single or common economic area".

But Klak said he fears that the essential differences between the programmes of the Czech and Slovak Governments "violate this single economic area". He mentioned specifically tax sovereignty, budget procedure and foreign exchange quotas.

Klak believes that "to quantify the consequences of a breakup of the (Czechoslovak) federation is a task surpassing human forces".

He said that "a number of originally federal institutions are ceasing to function, to exist, and it would be most difficult to return to the starting point".

The Czech Industry, Trade and Tourism Minister, Vladimir Dlouhy (ODA) [Civic Democratic Alliance], said: "At the moment we have already crossed the border beyond which we must rid ourselves of a certain sentiment we feel for the federation the worst we could do would be to want to maintain the common state (of Czechs and Slovaks - ed.) at any cost, at the cost of concessions which would later be translated into problems of coexistence, into economic and nationality problems, and may be also into wider political problems destabilising Central Europe".

He said "it is in the vital interest of the Czech republic that the Slovak republic quickly overcome the consequences of the breakup, which will probably be greater for it (than for the Czech republic - ed.), because it will be our market".

Government, Czech Council Discuss Constitution

AU2507143792 Prague LIDOVE NOVINY in Czech 21 Jul 92 p 2

["(JC)"-signed report: "The Czech President"]

[Text] Prague—"He will definitely not be a simple representative or a symbol of the state. He will not be a president who heads the executive organs, as the American president does, and he will not be a president of a council or a state politician from the constitution's point of view.

"He will be a president who will play his role between parliament and the government, that is, between legislative and executive." This is what Jan Kalvoda (Civic Democratic Alliance), Czech deputy prime minister and deputy chairman of the Government Commission in Charge of Drafting the Czech Republic Constitution, said about the role of the Czech president. Over the weekend [18-19 July], members of the government and the Czech National Councils' commission met to exactly interpret the principal ideas drafted by the parliamentary commission. The rest of the weekend, and yesterday, the government commission devoted itself to preparing the text itself. "Detailed theses in the form of text will be presented to the government on Wednesday. The government will study it and pass judgment on all its components. Then, work on the paragraph- to-paragraph wording of the constitution can begin." The government-given task was to draft the Czech Republic constitution, which is why it does not contain any section that mentions the federation, Kalvoda said. He said that he could not pass his opinion directly on the text under preparation, since the commission intends to inform only the government for the time being.

Dlouhy on Czech, Slovak Economies After Break-Up

LD2507185492 Prague CSTK in English 1914 GMT 24 Jul 92

[Text] Prague July 24 (CSTK)—Vladimir Dlouhy, Czech minister of industry, trade and tourism, today said the Czech republic and the Slovak republic will be under pressure from some European Community (EC) countries which will seek tougher exports terms for Czech and Slovak products.

Speaking to journalists, Dlouhy said that if Czecho-Slovakia breaks up, renegotiating of the association accord signed with the EC in December 1991 will probably be necessary.

Dlouhy said that his visit to Britain on Monday and Tuesday [20-21 July] showed that international institutions and the British state administration place emphasis mainly on political and economic stability which has thus far characterised Czechoslovak reforms and the whole process of transformation.

Partners see Slovakia's future sovereign status, possible border problems, and questions concerning Slovakia's

economic development and stabilisation as most delicate aspects of future cooperation. Hesitation of traders and businessmen is already now a fact, Dlouhy said.

"Therefore, it is necessary to welcome that part of the ODS-HZDS [Civic Democratic Party-Movement for a Democratic Slovakia] agreement (of July 23-ed.) which speaks about the need to quickly solve problems related to the common (Czech-Slovak) economic area which I am not afraid of calling a common market", Dlouhy said.

He stressed that it is in the Czech republic's vital interest that the economy of the Slovak republic start developing as quickly as possible.

Czech Prime Minister Interviewed by Polish Paper

AU2707101392 Warsaw RZECZPOSPOLITA in Polish 20 Jul 92 pp 1, 9

[Interview with Czech Prime Minister Vaclav Klaus by Barbara Sierszula; place and date not given: "Czech Affairs Are in Good Hands"]

[Text] [Sierszula] Prime Minister, the Poles are worried about what you said to RESPEKT and others, that the Czech Republic is not going to concern itself with cooperation with the "Visegrad triangle."

[Klaus] I never said that. On the contrary, I said that we shall continue to give cooperation with our neighbors precedence over cooperation with countries more distant from us. All I did was confirm to RESPEKT what I have been saying over the past two years, that we are opposed to the institutionalization of this cooperation and giving it some sort of supranational status. If there is one thing we definitely do not want, it is changing the "triangle" into a supranational institution. I will always be in favor of broad cooperation with Poland, open to all possible forms.

[Sierszula] But the reality seems to contradict that. Your words do not echo the interests of the Czech side. For instance the free trade zone has still not been created.

[Klaus] That is not true. I am in favor of eliminating all obstacles to the free flow of labor, capital, and people. But in principle I am against any institutionalization of these processes.

[Sierszula] Since March, it has been easier for us to trade with the EC than with each other. Why is that?

[Klaus] I ask myself the same question. I do not know. It was not I who set up this system. For my part, I can promise you that we will try to make contacts and relationships between the Czech lands, Poland, and Hungary more open.

[Sierszula] During the G-7 [Group of Seven] meeting in Munich, our three countries were told that the EC wants us to cooperate with each other better. The EC has noticed that we are not succeeding in this. Why?

[Klaus] First of all, I would never tell anyone what to do, that is to say, I would not tell a Western country whom it should cooperate with.

That is superfluous advice. Why are Polish-Czech-Hungarian relations not developing the way they should? Maybe it is because we have too many domestic problems, and only attach secondary importance to relations with our neighbors. There is nothing malicious about that. If I have to hold constant talks with Prime Minister Meciar, I have no time to talk to Prime Minister Antall or to your Prime Minister Suchocka. I have seen Prime Minister Suchocka on television twice, and I must say she made a good impression on me. I wish her much success in her work.

Apart from that, your questions reflect a certain way of looking at Polish-Czech relations, a tendency to look at them in terms of official state relations. That is wrong. The essence of these contacts consists of relationships between people and firms, and these vary. It used to be the role of the state to intensify these contacts. That is no longer the case. Your questions still reflect the "old socialism," according to which governments decree good relations with other countries. That is no longer valid, and we should realize that. Our enterprises and your enterprises are changing, and whether or not they can establish trade with foreign firms depends solely on them. The state and government are no longer responsible.

[Sierszula] Nevertheless there are problems that seem to require decisions at higher levels of the state administration. For instance, enterprises in border areas are forced to carry cash in suitcases because contacts between banks are non-existent.

[Klaus] You are mistaken. If banks in Nachod and Jelenia Gora are incapable of communicating with each other, the government is not going to help them do it. I am very sorry. When I was finance minister, the CSFR was willing to reach financial agreements, but Poland did not always share this willingness. The Polish minister of finance position has changed hands several times, and it has not always been clear what exactly the Poles want.

[Sierszula] In the post-election in Czechoslovakia, there has been more and more talk of Czech national interests. What does that mean?

[Klaus] That is a reaction to the attitude of the Slovaks. Until now we have accepted Czechoslovak interests. If someone woke me in the middle of the night and asked me where I live, I would answer Czechoslovakia, not the Czech lands. The emancipationist aims of the Slovaks and their talk of such concepts as a Slovak state and Slovak identity have created a new need for us to define Czech statehood, Czech identity, etc.

[Sierszula] There are fears that Czech interests are too closely linked to German interests.

[Klaus] I must deny that. If you are acquainted with the government of the Czech Government, which has been

approved by parliament, you will know that the only neighbor I mentioned, and in a critical way, is Bavaria.

[Sierszula] Let us return to the "Visegrad three." Why do you think it is commonly believed that the three countries should integrate? Is it because they are weaker on their own, or is it because of an inferiority complex?

[Klaus] On the contrary. I think it is because of a great feeling of self-confidence which leads us to hold talks with the West as an equal partner, not as a "club of poor countries," which is what we really are.

[Sierszula] Would the creation of "our Europe," with a free labor market and free flow of capital and people, not increase the stability of our region?

[Klaus] I am firmly opposed to that. We already have regional integration behind us, and I hope to God we will not come back to it. We have to integrate with Europe, bearing in mind that Europe will also develop. We cannot have a Visegrad "mini-Europe." Personally, I believe that liberal thinking will triumph in Europe and erase all attempts at intervention and trends toward socialism.

[Sierszula] Czech affairs seem to be in good hands, but the left wing is accusing you of breaking up the federation. What do you have to say to that?

[Klaus] You know that is not true. It is the Slovaks who are breaking up the federation. But the Czech left wing realizes it has greater influence in a large country, that is why it is now playing this card.

[Sierszula] You are described as a strong man in whom all the authority is concentrated. Is that how you feel?

[Klaus] No. In fact I feel less powerful than when I was federal deputy prime minister or finance minister.

Meciar Meets Leaders of Czech Opposition Parties

LD2707174192 Prague CSTK in English 1628 GMT 27 Jul 92

[Text] Prague July 27 (CSTK)—The participants in today's meeting of HZDS [Movement for a Democratic Slovakia] Chairman Vladimir Meciar with the chairmen of Czech opposition parties denied that it might indicate formation of a new coalition.

The meeting in the Federal Assembly (Parliament) building was attended by Jiri Horak, chairman of the CSSD [Czechoslovak Social Democratic Party], Frantisek Trnka, chairman of the LSU [Liberal Social Union] and of the Farmers' Party, and Ladislav Dvorak, LSU deputy chairman and chairman of the Czechoslovak Socialist Party (both the Farmers' Party and the Socialist Party are parts of the LSU).

Also present were Federal Assembly Chairman Michal Kovac (HZDS), Chairman of the House of Nations Roman Zelenay (HZDS), advisor to the Federal Assembly Chairman Jaroslav Sabata, Federal Assembly Deputy Ivan Fisera (CSSD) and former federal minister of control Kvetoslava Korinkova (Civic Movement-OH).

Kovac told CSTK that the HZDS wanted to show to the participants in the meeting what scope has been created by the ODS-HZDS talks for non-governmental political parties in debates on the state setup.

He said that it is a scope in which all parliamentary parties may apply their ideas and views both on the formation of new relations between the Czech and Slovak Republics and on the way of ending the existing arrangement and transition to a new one.

Sabata said that the HZDS representatives attended the meeting "with the aim to help Vaclav Klaus and the ODS convince his opponents that there are certain things that they should support".

Zelenay said the participants in the meeting agreed on the necessity to approve a new law on power sharing and a law on ending the federation. Agreement was also reached on the course of the process of ending the federation including the division of property, he said.

Meciar Notes Differences With Czechs Over Army

LD2407173692 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 24 Jul 92

[Report by Peter Toman from the Eastern Military Command in Trencin]

[Excerpts] At today's meeting with commanders and employess of the staff of the Eastern Military Command, CSFR Defense Minister CSFR Imrich Andrejcak introduced in his post the new commander of the Eastern Military District, Major General Julius Humaj. He is a forty-year old professional soldier who previously worked as a head of the operational administration of the Eastern Command. Taking part at the festive meeting was also Slovak Premier Vladimir Meciar. In his speech to military commanders he briefly recapitulated the results of his talks with the Czech partners on the future appearance of our state. The questions of defense of the state and the Army are being awaited with greatest interest.

[Begin Meciar recording] We are seeking a common agreement, common philosophy, the meaning of the existence of the Army, supporting its signficance and so on. Differing viewpoints are emerging. If the Slovak representation unequivocally confirms the need to build the armed forces and continually complains that redeployment and building of the entire defense system on the territory of Slovakia are taking place slowly, we are afraid that in the Czech part there is premature satisfaction that they will soon become members of NATO, which will provide protection to the Czech space, that it will not be necessary to build or maintain the Army in the current degree of combat readiness in the current

numbers—they are striving to obtain a marked reduction in these numbers. This kind of lack of care is not altogether in agreement with us. We are looking at it somewhat differently.

The second point which is important is that the Czech side views the questions of the Army from the idea of foreign policy. They are telling us: Foreign policy can cause direct conflict, and if there is a common Army command, you can drag us into this conflict, and into situations that are undesirable for us. We have offered the view that in the questions of war and peace we are willing to preserve not only the joint command, but also common legislation, as well as common institutions that could decide on the questions of war and peace. This offer thus far has not been accepted. On the basis of assessing the overall situation which exists regarding deployment, technical means of command and others, we have made a preliminary agreement that we will proceed as not to divide the Army up to the time when this is not possible or inevitable. We have suggested to the Czech side that in the questions of division, it respects the state of organizational structures so that the Command of the Eastern Military District might change into the Command of the Army of the Slovak Republic. We have reached the agreement that, beginning on 1 October, the soldiers in military training are starting service according to the Republican principle, that means that they will not be moved from one Republic to another. The Army represents a complexity of relations also in the sphere of education, repair activites and so on, that is why we were recommending that this stage be prepared with exceptional care, we are asking the Defense Council that will be discussing these problems in a couple of days, to prepare variants of assessment possibilities. We are not interested in breaking up the Command of the Czechoslovak Army. [passage omitted] [end recording]

Defense Minister Imrich Andrejcak noted in this connection:

[Begin recording] Despite various views of representatives of victorious political parties that are being exchanged during coalition talks, one does not put into question the basic thing: On the territory of the Czech and the Slovak Federative Republic there must not be the situation where people would feel their lives and health directly threatened. It is, in fact, my task, and it is the reason why they appointed me. Basically, the two premiers promised me that after an agreement is made, after the idea as to how to proceed further is specified and after legal norms have been set up, the defense minister will have sufficient time to manage the entire process in an organized way in harmony with the law so it can aquire the image and aim set by the law. I think that this is very important. [end recording]

Carnogursky Criticizes HZDS Policy

AU2707185892 Prague CSTK in English 1220 GMT 23 Jul 92

[Text] Bratislava July 23 (CSTK)—Last night's agreement between the Civic Democratic Party (ODS) and the Movement for a Democratic Slovakia (HZDS) on the abolition of the Czechoslovak federation is a logical consequence of the political development, and in Slovakia it is a consequence of the policy of the HZDS, Christian Democratic Movement (KDH) Chairman Jan Carnogursky said today.

Addressing a press conference, the former Slovak premier said that the agreement "is undoubtedly the first formal step toward the (Slovak) state's independence including its big risks".

Recalling Meciar's recent words about Slovakia not being prepared for independence, Carnogursky said that in spite of that "the HZDS policy is heading toward independence". He added that the HZDS and the current Slovak Government keep concealing the consequences that will arise when Slovakia becomes independent.

Carnogursky said Alexander Dubcek (former federal parliament chairman and the key figure of the 1968 Prague Spring reform movement who was proposed for Slovak president by SDL Chairman Peter Weiss Wednesday [22 July]) is one of the possible candidates who will be given support from the Christian Democratic Movement.

Mexican President Visits, Discusses Bilateral Ties

Presidents Meet

LD2707140692 Budapest MTI in English 1245 GMT 27 Jul 92

[Text] Budapest, July 27 (MTI)—Although Hungary considers gaining EC membership a political and economic priority, it wants to avoid being one-sided in its external ties, and to develop relations with South America, too, Hungarian President Arpad Goncz said at talks with his Mexican counterpart Carlos Salinas de Gortari today.

Speaking about bilateral ties, Goncz said Hungary is monitoring Mexico's economic achievements with great interest. Besides building good political and cultural ties with Mexico, Budapest wants to strengthen economic ties as well. There are a lot of unexplored possibilities in the economic sphere, Goncz said.

To develop economic relations, the two countries will need to conclude some key agreements, including the ones on avoiding double taxation and on credits.

In Hungary's view, an agreement on investment protection should also be concluded with Mexico. No such agreement has been signed by Mexico with any of its partners to date.

Mexico's economic successes are partly due to an intensive dialogue between trade unions, entrepreneurs and the government, which resulted in a social consensus about privatization and the avoidance of economic monopolies, President Salinas said.

He agreed with Goncz that bilateral agreements should be signed as soon as possible, and proposed to work out the drafts this year. He invited Goncz to Mexico to sign the agreements.

Antall, Gortari Hold Talks

LD2707163592 Budapest MTI in English 1453 GMT 27 Jul 92

[Text] Budapest, July 27 (MTI)—International issues, regional developments, and bilateral ties were the focus of talks between Hungarian Prime Minister Jozsef Antall and Mexican President Carlos Salinas de Gortari today.

Speaking about transformation in eastern Central Europe, Antall said a threat faced by the region is armies getting out of control.

Concerning another regional issue, the status of minorities, Hungary holds the view that problems have to be resolved in keeping with the Paris Charter and the Helsinki principles. Hungary rejects any idea of border revision, Antall said.

Antall and Salinas agreed on the need to reform the UN in the longer term. In the short term, however, this should not be a central issue in view of the various regional problems.

Following the limited attendance meeting, the two sides opened negotiations accompanied by their delegations. Evaluating bilateral cooperation it was noted that development opportunities are the most promising in agriculture, tourism, and financial relations. Antall proposed cooperation on third markets.

Two agreements were signed following the talks, in the presence of Prime Minister Antall and President Salinas.

Foreign Ministers Geza Jeszenszky and Fernando Solana signed a technical and scientific agreement, and Ivan Szabo, minister of industry and trade, and Foreign Minister Solana signed a tourism agreement.

In the afternoon, the Mexican president placed a wreath in Heroes' Square, at the Hungarian heroes' memorial.

Goncz, Gortari Address Banquet

LD2707200992 Budapest MTI in English 1843 GMT 27 Jul 92

[Text] Budapest, July 27 (MTI)—Hungarian President Arpad Goncz and Prime Minister Jozsef Antall on Monday [27 July] evening held a dinner in honour of Mexican President Carlos Salinas de Gortari.

In his toast, President Goncz welcomed the Mexican president on behalf of the hosts. He said this was the first time since the change in Hungarian political system that a president from a Latin American country was visiting the new democratic Hungary.

Goncz said Hungary had transformed and yet safeguarded its political and economic stability, even amidst difficult conditions. It had begun to establish a market economy, and had set up the most crucial enabling legal and institutional conditions. Nevertheless, with transformation still slow, President Goncz called for even greater attention to moderating social difficulties.

Regarding foreign policy efforts, Goncz said Hungary strives for good relations with neighbouring countries, and attaches major importance to furthering Central European regional cooperation.

President Goncz spoke with anxiety about the fact that the situation of Hungarian minorities has become more difficult in the Central and Eastern European region. He welcomed the ever more active role played by the UN in approaching regional crises. Hungary wants to ease and resolve these conflicts with international cooperation, Goncz said.

At the end of his toast, President Goncz discussed bilateral relations. He stressed that the parallel nature of development, shared mutual interests, and confirmed political readiness alike serve as good bases to attain qualitative improvement in Hungarian-Mexican relations. The president mentioned industrial and agricultural cooperation as major areas for future contacts.

In his return toast, Mexican President Carlos Salinas de Gortari said that, among other countries, both Hungary

and Mexico can find the strength to face the challenges of our age from their rich histories and cultures.

We are witnessing a scientific and technical revolution, he said, which is reorganising production and consumption customs and ways of life throughout the world. Economic zones are coming about which provide comparative advantages, putting great emphasis on competition for the markets. These zones can become either the cornerstones of development, or the fortresses of protectionism, and could even lead to trade wars. This is why it is important to strengthen the UN, and to make sure that the Uruguay round of the GATT talks do not end in failure.

President Salinas then discussed Mexican experiences of economic and social transformation. The result is that Mexican economy has, now, begun an upswing, and both industry and agriculture are able to stand international comparison.

As part of the state reform, 1,000 companies, including banks, were privatised in Mexico. The funds gained in this programme were used to build stability, to pay for social projects, and in the general struggle against backwardness.

In conclusion, the Mexican president said his country is striving to build strong relations with the Central European countries, including Hungary.

Gortari Departs

LD2807100192 Budapest MTI in English 0807 GMT 28 Jul 92

[Text] Budapest, July 28 (MTI)—Carlos Salinas de Gortari, president of the United Mexican States, left Budapest on Tuesday [28 July] morning.

In the course of his official visit, President Salinas on Monday held talks with President Arpad Goncz and Prime Minister Jozsef Antall, and met with representatives of Hungarian economic life.

Both sides evaluated the visit to have given a major boost to the development of bilateral relations, and will enliven the current, relatively modest economic relations. The technical and scientific, and the tourism agreements signed during the Mexican president's visit also serve this aim.

Current, Former Defense Ministers Tied to Scandal

LD2807131892 Budapest Kossuth Radio Network in Hungarian 0400 GMT 28 Jul 92

[Text] According to NEPSZAVA, former Defense Minister Lajos Czinege is responsible for financial irregularities at the ministry. So far the State Audit Office has only called to account three medium-level leaders in connection with the affair, but Deputy Tamas Wachsler, who broke the financial scandal, continues to allege that current Defense Minister Lajos Fuer is also connected with the affair.

National Convertible Balance of Payments Detailed

LD2707181192 Budapest MTI in English 1609 GMT 27 Jul 92

[Text] Budapest, July 27 (MTI)—National Bank of Hungary figures on Hungary's convertible balance of payments in 1991 and May, 1992:

	Jan-Dec, 1991	May, 1992	Jan-May, 1992
		(Million US dollars)	
Exports	9,258	759	4,378
Imports	9,069	725	3,732
Trade Balance	189	34	646
Services and Income			
Freight and Shipment, Net	-80	-9	-43
Government Expenditures, Net	63	1	29
Services, Net	67	30	9
Travel, Receipts	1,006	70	297
Expenditures	446	39	170
Net	560	31	127
Direct Investment Income, Net	-32	-5	-12
Investment Income, Receipts	297	33	157
Expenditures	1,628	103	651
Net	-1,331	-70	-495
Labour and Property Income, Net	-20	0	4
Unrequited Transfers, Net	861	32	272
Other Payments, Net	-8	17	8

	Jan-Dec, 1991	May, 1992	Jan-May, 1992
		(Million US dollars)	
Current Account Balance	267	61	546
Capital Account	-267	-61	-5461.
Long Term Capital	3,070	72	711
Assets, Net	-57	-23	-42
Liabilities: Net	1,668	-25	147
Inflow	4,077	76	1,151
Outflow	2,409	101	1,003
Direct Investment, Net	1,459	119	606
Basic Balance	3,337	133	1,256 2
Short-Term Capital	-617	154	78
Assets	141	53	101
Liabilities	-758	101	-23
Overall Balance	2,720	286	1,334
Reserves	-2,720	-286	-1,334

National Bank Figures on External Debt Published

LD2707182192 Budapest MTI in English 1609 GMT 27 Jul 92

[Text] Budapest, July 27 (MTI-ECONEWS)—National Bank of Hungary figures on Hungary's external debt (million US dollars):

	April 1992	May 1992
In Convertible Currencies		
Gross Foreign Debt	21,595.4	22,249.1
By Original Maturity:		
Short-Term	1,957.2	2,089.4
Long-Term	19,638.1	20,159.7
By Type:		
Financial Loans	17,042.8	17,596.1
Trade-Related Credits	1,873.5	1,908.2
Government Debt	1,424.7	1,454.0
Other	1,254.4	1,290.9
Foreign Direct Investment	2,467.2	2,638.2
In Non-Convertible Currencies		
Gross Foreign Debt	342.4	345.0
By Original Maturity:		
Short-Term	232.1	233.0
Long-Term	110.3	112.0
By Type:		
Financial Loans	229.5	230.6
Trade-Related Credits	0.0	0.0
Intergovernmental Credit	98.6	100.1
Other	14.3	14.3

Minister Urges Military Treaty With Russia

LD2807104692 Warsaw PAP in English 0957 GMT 28 Jul 92

[Text] Warsaw, July 28—Minister of National Defence Janusz Onyszkiewicz said that Poland intends to sign an agreement on military cooperation with Russia.

In an interview for Tuesday's [28 July] RZECZPOSPOLITA daily Onyszkiewicz stated that Poland is concerned about building a system of common security in Europe, a task that cannot be carried out without Russia.

Asked about threats ensuing from the possible disintegration of former Soviet army troops stationed in Poland in case of economic and political collapse in the East, Onyszkiewicz admitted that such threats exist, although they are not very likely to materialize. He added that his ministry has been prepared for such a possibility since 1990. On the other hand, Onyszkiewicz stressed that the pullout of Soviet troops from Poland is proceeding "very intensively and efficiently."

Demands that Poland become a member of the NATO were termed by Onyszkiewicz as not elegant and out of tune with "national honour." He stated that "there is no sense in kicking at the closed door."

Solidarity Suggests Move to End Combine Strike

LD2707215292 Warsaw Third Program Radio Network in Polish 1900 GMT 27 Jul 92

[Text] The Board of the Polska Miedz mining and metallurgical combine renewed its appeal to the workforce to abandon their strike. The board warned, at the same time, that if the strike continues until the end if this month the payment of increased wages for July proposed by the management of the combine would not be possible. Dorota Szkop reports:

[Szkop] The Independent Self-governing Trade Unions [NSZZ] Solidarity has sent a communique to the board of the Polska Miedz company, which reads: In connection with the prolonged strike, and in order to avoid irreversible losses and the danger of the loss of the increase in wages negotiated by NSZZ Solidarity, and because of the lack of will to compromise on the part of the inter-factory, inter-union strike committee, we suggest the adoption of the alternative version of the agreement of 17 July, which would postpone amounts for increased wages for July for another month, starting from September. We hope that the presented proposal will persuade the inter-union strike committee to accept this, says communique.

Combine Workers Will Strike To 'Very End'

LD2707223592 Warsaw PAP in English 2138 GMT 27 Jul 92

[Text] Warsaw, July 27—As the strike at the giant Polska Miedz copper combine in Legnica (south-western Poland) enters its second week, the strike committee on Monday [27 July] vowed to continue their protest "to the very end."

The statement came despite the withdrawal earlier on Monday of recognition for the strike by the Polska Miedz workforce committee of the Solidarity trade union, which accused the strike committee of a lack of will to end the conflict, "which if extended infinitely could bankrupt the firm." In a written reply to Marian Krzaklewski, Solidarity national leader, the strike committee rejected claims that the strike was a throw-back to the communist system, and stressed that the strike was purely economic.

Meanwhile, Lech Kaczynski, head of Polands Supreme Chamber of Control (NIK) announced on Monday that NIK was investigating the circumstances behind a transfer from Polska Miedz of 138.5 billion zlotys (10 million dollars) by way of a guarantee to the Polkolor company.

At Tychy (Katowice province, southern Poland), Jerzy Siemianowski, production director at the FSM small cars plant, attacked the strike committee for continuing an action which could lead to the collapse of the firm. He accused the strikes supporters of using terror and physical force to coerce other workers at the plant to participate in the protest.

Also on Monday, Labour Minister Jacek Kuron responded to the letter sent by the FSM Strike Committee on Sunday to Prime Minister Hanna Suchocka. In a letter to the committee, he called for strike action to be carried out in accordance with the law, and stressed that the dispute was for the workers and the management to settle between them.

Kuron added that the strikers demands for the dismissal of board members at FSM were outside the legal competence of trade unions, and also rejected their demands to be paid normally during the period of the strike.

Solidarity Withdraws From Strike at Combine

LD2707123392 Warsaw PAP in English 1003 GMT 27 Jul 92

[Text] Legnica, July 27—The factory commission of the Solidarity Trade Union at the Legnica copper mill on Monday [27 July] resolved to stop the strike and withdraw its representatives from the inter-factory and inter-union strike committee at the Polska Miedz Copper Combine in Legnica, south-western Poland.

The Solidarity Commission charged the strike committee with unwillingness to end the conflict which, "if prolonged endlessly, may lead to the firm's bankruptcy."

Members of other trade unions continue the general strike launched on July 20.

Meanwhile, the strike committee at the FSM mini-car maker in Tychy, southern Poland, blocked on Monday

investment work in the plant, according to spokesman for the strike committee Waclaw Cuber.

The spokesman said that the decision is "the answer of the strikers to the failure on the part of the management to react to workers demands" and "the protest against the announcement by the FSM management of the company's expected bankruptcy."

Mielec Factory Strike Committee Continues Protest

LD2707162592 Warsaw PAP in English 1456 GMT 27 Jul 92

[Text] Mielec, July 27—Following consultations with the workforce of the WSK transport equipment plant in Mielec, south-eastern province of Rzeszow, the factory strike committee on Monday [27 July] decided to change the form of their protest action and maintain strike readiness instead of continuing the strike proper as so far. Only the strike committees representing different departments of the factory will remain on strike.

Last Friday the striking workers of Mielec were inclined to stop the protest action in the conviction that the Government honestly intends to improve the situation in the Mielec region. However, the announced rises in petrol, energy and gas prices have again stirred up the striking moods, strike leaders said.

Meanwhile, the management of the WSK Mielec plant decided to announce the planned break in the production, to last till August 7.

Suchocka, OPZZ Leader Discuss Social Situation

LD2707214392 Warsaw PAP in English 1948 GMT 27 Jul 92

[Text] Warsaw, July 27—Prime Minister Hanna Suchocka on Monday [27 July] told the All-Poland Alliance of Trade Unions (OPZZ) leader Ewa Spychalska that both OPZZ and the Solidarity union will receive a draft law on enterprises by the end of this month, so that government-unionist teams could start working on them in August.

Ewa Spychalska agreed with Ms Suchocka on the areas of the social policy that the OPZZ would like to negotiate with the Government. "It would be good if the unionists side was represented by all unions as this would shorten the time of consultations," Spychalska declared.

During the meeting, also attended by Labour Minister Jacek Kuron, the sides discussed measures that can be applied in the possibly shortest time to ease the strikes and social situation in Poland.

The prime minister and the OPZZ leader also discussed the excessive wage tax bill. The prime minister is of the opinion that the proposal to exempt from the tax those enterprises which export 30 per cent of their output poses a considerable threat to budget revenues, Spychalska said.

ZCHN Assesses Terms of Poland EC Membership

LD2707183592 Warsaw PAP in English 1610 GMT 27 Jul 92

[Text] Wroclaw, July 27—Press spokesman for the Christian National Union (ZCHN) Ryszard Czarnecki confirmed at a press conference in Wroclaw, south-western Poland, Monday [27 July] the ZCHN main board's negative assessment of the terms of Poland's joining the EC.

"We want to break with the situation in which Poland has no alternative. We critically size up the terms of the treaty with the EC as disadvantageous for Poland and are particularly concerned over unfeasible dates of adjusting the Polish legislation system to that of the EC," Czarnecki stressed.

He ruled out, however, the threat of a government crisis taking placing because of such a stand of the ZCHN main board. "The coalition government was formed as a government of compromise and we envisaged the possibility of disputes and different opinions," the spokesman said.

Czarnecki also outlined guidelines of a ZCHN bill "on the conditions of holding some public posts in Poland." He termed it "as the most radical draft law concerning decommunization among the ones forwarded so far."

The draft law envisages the requirement for people seeking to engage in economic activity to make statements concerning the collaboration with former communist security services, military information services or with intelligence services of foreign states. The proposed law would be binding for 15 years since coming into force.

Finance Minister Announces Energy Price Hikes

LD2507222492 Warsaw PAP in English 2045 GMT 25 Jul 92

[Text] Warsaw, July 25—The prices of energy and gas will go up by 6 per cent as of August 1, and those of hot water and central heating by 12 per cent, Finance Minister Jerzy Osiatynski announced on Saturday [25 July].

Osiatynski said that the new Government found the state budget in a very poor shape due to the delay in introducing turnover tax by the previous Government. That is one of the reasons for the Government fears of a deficit of over 100,000 trillion zlotys (some 7 billion dollars) by the end of 1992.

As a result, the inflation rate may be much higher than expected, and the Government may fail to reach an agreement with the International Monetary Funds

(IMF). In addition, Poland will not be able to get the Paris Club to forgive it the 6 billion dollar worth of loans as the second installment of a scheme agreed earlier. Finally, almost all agreements with the World Bank are imperilled.

The minister also blamed the delay in introducing energy price hikes earlier for the deepening of the deficit.

He announced that to save the budget the Government will strive to ensure smooth flow of taxes to the State Treasury, and to fight contraband, illegal import of alcohol, cigarettes, electronic articles and many other goods.

Agriculture Minister Views Farming's Future

AU2707103992 Warsaw RZECZPOSPOLITA Economy and Law Section in Polish 18-19 Jul 92 pp 1, I

[Interview with Gabriel Janowski, minister of agriculture, by Edmund Szot; place and date not given: "The Heart of the Economy"]

[Excerpts] [Szot] The figures show that agriculture is bearing a decidedly greater share of the burden that transforming the economy entails. Incomes for the farming population are about 60 percent lower than those of the non-farming population, and there is no sign of any possible improvement in this situation in the near future. In your opinion, is there, perhaps, a possibility of an improvement?

[Janowski] The decline in farmers' incomes is a result of the divergence between the price of farming inputs and farm produce prices, which had until recently received no form of protection whatsoever. We cannot significantly influence the price of production inputs, but we have stabilized the prices of basic farm products by introducing minimum prices for milk and grain used to make flour. These prices give farmers a sense of security, which will lead to both higher and better quality production. A second factor depressing farmers' incomes is the continued inadequate availability of loans and high interest rate levels. In this area, we have only reached a half-way stage. We have set up an Agricultural Restructuring and Debt Reduction Fund, which will become a loan agency in the future. Finally, we have to realize that extensive factors stimulating the growth of agricultural output have been exhausted and intensive factors require an influx of capital. However, that is just half the problem. The other half concerns auxiliary industries, that is, the food processing industry as well as the services sector, the provision of consultancy services and training. Changes in this area are even more necessary than in agriculture itself. These are matters that we will be following with the greatest of attention. [passage omitted]

[Szot] Some people maintain that your ministry has no agriculture policy whatsoever....

[Janowski] That is what GAZETA WYBORCZA wrote, and it is completely untrue. We do have one, actually there is more to it: We are realizing a policy program, and there will be a Sejm session devoted to formulating strategy for the development of agriculture. We have accorded farming cooperatives an important place in the program. That is because the world over farming itself is a low profit activity, and higher incomes only begin to be generated in conjunction with processing and trade. Cooperatives are ideally suited to combining these areas. Even the prime minister said that in her inaugural speech.

[Szot] Minister, in a few years time Polish farmers will be in the EEC, where labor productivity in agriculture is 8 to 10 times higher. How will Polish farmers compete against farmers in France, Germany, and Holland?

[Janowski] First, the differences in labor productivity are lower and stem from the better services provided to agriculture in the West. Second, Polish farming can be competitive in terms of prices. The current trend within the EEC is to reduce subsidies and bring agricultural prices down to world levels, but in our country prices are still below those levels. So, if on both side prices move toward world levels, the position of the Polish farmer will improve.

[Szot] And he will lose the incentive to introduce structural improvements....

[Janowski] On the contrary, his interest in increasing the size of his farm will grow. Apart from that, the structural setup will not prevent labor productivity from rising. What does are the auxiliary industries and services, and the insufficient numbers of people still employed in those sectors. We also have to remember the people who have to find employment somewhere. What I dream of is Poland's harmonious development. Harmonious means that people will become more active and the economic development of the countryside and small towns will proceed more rapidly. That is where the greatest potential for growth lies, and civilization has already come up with ways for making use of that potential.

[Szot] But surely not with the kind of neglected infrastructure that we have?

[Janowski] Your are right, that is currently the main factor holding us back, that is why it is important to make use of World Bank loans to change that, by constructing water supply systems, sewage systems, gas supply lines, by increasing the availability of telephones, and building new roads. Over the next 5 to 7 years, it will be possible to transform Poland.

[Szot] But there are other matters of more immediate concern. As a result of the low level of purchasing power in the countryside, the farm machinery industry, for example, is on the verge of collapse....

[Janowski] That is a classic example of how increased poverty among farmer results in increased poverty

among the working class. Farmers with low incomes deprive workers of work, and workers cannot spend more on food. Agriculture lies at the heart of the economy. The great crisis that the United States experienced in the 1930's was caused by the failure to appreciate the importance of agriculture, which ceased to provide a market for industry and industry then went into a sharp decline. It was only the New Deal initiated by President Roosevelt that restored agriculture's importance. State interventionism was introduced and after that, the country began to emerge from the crisis. So, the importance of agriculture cannot be gauged in terms of statistics on the number of persons employed in it. That figure is systematically declining, but the significance of agriculture is even increasing.

[Szot] What are your forecasts concerning the future of Polish agriculture over the next few years?

[Janowski] A halt to the downward trend in output and a gradual, perhaps even rapid growth in output combined with an improvement in standards of quality. It makes me mad when I hear that McDonald's is importing potatoes from Moscow for its Warsaw restaurant. In London, you can buy potato chips from vending machines on every street corner. In Poland, because of a lack of storage facilities, about 30 percent of the potato crop goes to waste. The development of the potato industry is one of the most pressing tasks to be addressed. The development of the fruit and vegetable industry is another such area. Instead of drinking colored water from the Rhine, we can be drinking first rate juices made from black currants, carrots, or apples. I think that Poland has a chance to enter the 21st century as a world leader in the production of natural, healthy foodstuffs. A Polish countryside that has a proper infrastructure, modern buildings, and attractively planted with trees would cease to be a place of forced exile and will become something that we already see happening in other countries, an appealing place in which to live and work for the non- farming population.

[Szot] We hope your dreams come true and thank your for talking to us.

Center Alliance's Urbanski Weighs Government

PM2707155092 Opole TRYBUNA OPOLSKA in Polish 20 Jul 92 p 10

[Interview with Andrzej Urbanski, member of the Center Alliance Supreme Political Council, by correspondent Urszula Zyzik-Hauszyld; place and date not given]

[Text] [Zyzik-Hauszyld] The appointment of Hanna Suchocka's government was possible thanks to the creation of a broad-based coalition, at whose core stand two virtually opposing groups: the Democratic Union and the Christian-National Union. Initially, the Center Alliance played a considerable role in the coalition as one of the first groups opposed to Waldemar Pawlak's government-forming mission. Center Alliance leader Jaroslaw Kaczynski called for a coalition based on a Solidarity "lineage." Nevertheless, there are no ministers from the Center Alliance group in the government appointed by the Sejm 11 July. This is because the Center Alliance has left the government coalition after all the other groups rejected the two conditions that it suggested: that Minister Adam Glapinski, then head of the foreign economic cooperation sector, stay on in the government team, and that Andrzej Milczanowski, the internal affairs minister, leave the government. Does this mean that the Center Alliance group is the "grand loser" in this contest?

[Urbanski] This particular game in the contest certainly ended with defeat for the Center Alliance. However, this fact should not be suppressed or glossed over—after all, our ideas are still being realized, albeit without our active involvement in the government. Our arguments in favor of the aforementioned conditions were indeed unconvincing, and this should not be suppressed, either. However, I do not believe that our defeat this time will necessarily spell the beginning of the end for the center-left orientation. On the contrary, in a sense, the weaker the Center Alliance is today, the more chances there are for a successful center right camp.

[Zyzik-Hauszyld] There have been repeated rumors about the impending danger of further political divisions—even among the parties which together make up the government coalition. Is this not just wishful thinking on your part?

[Urbanski] Everyone knows that a new political division in Poland is inevitable and imminent. Cracks are already appearing in the structure of the Democratic Union; the Center Alliance has already suffered an internal division, as have the Liberal Democratic Congress and the Christian National Union. What new configuration will emerge from these splits? In my opinion, the one group which will stand a chance of becoming a strong formation on a scale comparable with that of Mr. Klaus's party in the Czech lands is a center-right structure headed by Jan krzysztof Bielecki, Aleksander Hall, and Jaroslaw Kaczynski. I see myself in this configuration, too. Such a center-right alliance would be the only chance for Polish state interests. A dominant neo-left orientation led by, say, Mr. Bugaj in conjunction with Zbigniew Bujak and the post-nomenklatura would be immeasurably detrimental. A still worse scenario would be created by a dominant national Catholic fundamentalist movement or a strong group led by such "principalists" as Counsellor Jan Olszewski or Jan Parys. In my view, these are real threats to our national interests, against which Poland can be protected only by a strong and sensible European center-right configuration. If the creation, the profile, and the future activity of the present government eventually combine to assist the emergence of such a configuration, then it is quite likely that its role and influence will prove much more momentous than its immediate task of carrying the country through a difficult transition period.

[Zyzik-Hauszyld] Every political spectrum has its extreme groups, both left- and right-oriented. Until quite recently, it was claimed that the Christian Democrats were the most necessary and the most appropriate orientation to suit Poland's needs, was it not?

[Urbanski] After the collapse of the Olszewski government it became obvious that the Christian Democrats would not constitute the dominant political force in Poland. I can affirm this with a fair dose of assurance: It is not the Christian Democrats, but the center-right orientation, which will play the principal role in Poland's politics. The distinction between the two is quite crucial. The dominant factor in the Christian Democrats' policies is their ideological orientation, whereas the politics of the center-right configuration is governed by economic considerations. This is why I believe that it is in Poland's best interests to give the optimum development chance to the center-right configuration rather than to allow the Christian Democrats to dominate the political scene.

[Zyzik-Hauszyld] Nevertheless, in Hanna Suchocka's new government the principal role is played by various groups of the Christian orientation, together with the Democratic Union.

[Urbanski] True, but I believe that there are still a number of unresolved tensions within the government's political makeup, and these tensions will have to be corrected or removed. I am thinking of such instances as, for example, the appointment of Henryk Goryszewski as deputy prime minister for economic affairs, or the appointment of several ministers from the Liberal Democratic Congress' list. I am not objecting to these appointments in principle because they may be departing from the stereotyped formula. My reservations stem from more fundamental considerations. There is unquestionably quite a considerable distance between these two orientations—not only in economic matters, but also in questions of ideological affiliations. This distance need not necessarily preclude cooperation, but it will require that both sides are prepared to make compromises. I am not sure whether the Liberals are indeed prepared to make compromises, nor am I sure whether the Christian National Union will easily agree to compromises, either. Another kind of tension arises from the fact that the new government has been formed under Solidarity's protective umbrella. This situation has happened before. I believe that, with Mr. Osiatynski as the finance minister, and with its proposals for a continuation of the economically harsh "Balcerowicz plan," this government will soon come into conflict with Solidarity and other trade unions. The third potential point of tension is the fact that the so-called "ideological orientation" ministries are all staffed with people from the Christian National Union, whereas the government is, as it were, "sponsored and promoted" by the Democratic Union. I am not at all sure how easy the Democratic Union will find it to sponsor and promote the ideological strategy that the Christian National Union is certain to introduce in the sectors it now controls.

[Zyzik-Hauszyld] So there are a number of potential problems already at the outset. How, then, do you view the chances of Hanna Suchocka's government?

[Urbanski] Despite the potential problems, I nevertheless believe that the Suchocka government will prove exceptionally stable. In my opinion it stands a good chance of surviving until the end of the current parliamentary term. However, having said this, I must add that I am not certain whether it will survive with exactly the same personal composition with which it started. I think that it will be necessary to introduce certain "staffing adjustments" before very long—perhaps three, perhaps six months. Needless to say, this does not apply to Premier Suchocka. Provided that it lasts—as I hope it does—until the next parliamentary election, this government will doubtless play a crucial role in influencing the next political alignment of forces in Poland. This is something we should all keep in mind.

Supreme Court Annuls Nicu Ceausescu Sentence

AU2707181492 Bucharest ROMPRES in English 1628 GMT 27 Jul 92

[Text] Bucharest, ROMPRES, 27/7/1992—Monday, July 27, in a public hearing, the Supreme Court of Romania annulled the ruling of its military section sentencing defendant Nicu Ceausescu to 16 years in jail for genocide only insofar as instigation to aggravated murder is concerned. At the same time it sent the dossier to the Direction of the Military Prosecutor's Offices for completion.

The defendant shall remain under arrest.

Government Presents Plans for 'Successful' Election

AU2707190192 Bucharest ROMPRES in English 1659 GMT 27 Jul 92

[Text] Bucharest, ROMPRES, 27/7/1992—On Monday, July 27 the Romanian Government hosted a news conference to present the preparations the government intends to make for a successful election campaign on September 27, 1992, as well as the electoral schedule.

Reference was made to the government's impartiality to all participating political parties, the observance of the freedoms of movement, of association and expression of all formations, independent candidates and electorate, the free access to the press, radio and television, as well as equal security during the campaign.

Here are some of the measures to be taken by the government for a good unfolding of the campaign: Elaboration of electoral schedules for each county, tasks for each ministry, and so on.

In connection with the informational system for the centralisation of the results of the elections, reference was made to the fact that the government has approved measures to increase the data processing capacity and it was expressed the opinion that "there is no danger that the results of the elections be altered from this point of view."

Sandulescu Briefs European Parliament on Elections

AU2707190092 Bucharest ROMPRES in English 1745 GMT 27 Jul 92

[Text] Bucharest, ROMPRES, 27/7/1992—Monday, July 27, Romanian Foreign Secretary of State Ionel V. Sandulescu had an interview with Mrs. Mechtild von Alemann [name as received], member of the European Parliament's delegation for Romania.

The matters approached were related to the evolution of the situation in Romania, the representative of the European Parliament being particularly interested in the Romanian political context and in the way preparations were being made to ensure free and democratic legislative and presidential elections.

Also approached were aspects of Romania's relations with European organisations, especially with the European Parliament. A special attention was devoted to the prospective rapprochement between Romania and the EEC. The two officials expressed their conviction that the association treaty would be signed very soon.

Election Campaign Starts With Political Broadcasts

AU2807100492

[Editorial Report] Bucharest Radio Romania Network in Romanian at 0430 GMT on 28 July carries the first of the party political broadcasts in the election campaign for the 27 September general elections. It inaugurates the "Election Tribune" program with a 15-minute live broadcast as part of its 1-hour current events program, "Matinal."

Reporter Stefan Naciu introduces his guests—"three representatives of political parties represented in Parliament"—namely, Victor Surdu, president of the Agrarian Democratic Party of Romania [PDAR], Stefan Cazimir, president of the Free Exchange Party [PLS], and Adrian Vilau, vice president of the National Salvation Front [FSN].

Naciu begins with a brief recording of a portion of yesterday's news conference at government headquarters on ways to ensure an "impartial" and "fair" election campaign. Naciu then asks his guests to outline their ideas for their parties' electoral campaign, each of them being allocated "4 minutes."

PDAR's Victor Surdu considers the election campaign as "a national holiday," given the "Romanians' interest in this outstanding political event, the 27 September elections," which will elect a "stable Parliament, for a duration of 4 years." Surdu then talks about the fact that PDAR has become the "third political force in Romania" thanks to its "steadily centrist political program and correct attitude since the revolution." He says that "there is no time to present in detail the PDAR's political platform" in only 4 minutes, but he invites the electorate to discuss this platform with the party functionaries, who are always "available" to the public. "Basically," he adds, "PDAR is fighting for the interests of the farmers."

FSN's Adrian Vilau begins with a "statement of faith," expressing the FSN's "complete trust" in its electorate. He proceeds to talk about the recent FSN National Convention in Brasov, which "clarified its ideology and democratic commitment" and nominated the FSN's presidential candidate. He calls for a "correct and civilized" electoral campaign free of "dirty and violent" practices. "With the help of God," he adds, "there will be a place for everybody and a country for us all."

PLS's Stefan Cazimir talks in general terms about "insincerity" of certain politicians, who "gave obvious proof of the divorce between words and deeds," and calls for all parties to sign a "pact of electoral behavior."

CD Candidate Reviews West European Tour

AU2707115492 Bucharest ROMPRES in English 0936 GMT 27 Jul 92

[Text] Bucharest ROMPRES, 27/7/1992—The nominee of the Democratic Convention [CD] for Romania's president, Emil Constantinescu, returned Sunday, July 26, from a tour he made in a number of West European countries.

Upon his arrival, Mr. Constantinescu told the press: The visit was particularly successful. I had an opportunity to meet political personalities, businessmen and even commoners whom I wanted to talk to. My demarch was an attempt at tackling Romania's issue in a new manner, and, in this context, I insisted that Romania should get integrated shortly in the European structures, that it should strengthen its cooperation with the Western countries, without political conditions being imposed to it.

I also want to mention that Mr. Corneliu Coposu, (the chairman of the Christian-Democratic National Peasant Party), enjoying the reputation of a great politician in Western Europe, accompanied me on my tour. This tour offered me an opportunity to have a clearer image of the international life, which is extremely intricate, and that is why I think that Romania needs people able to place the interests of the Romanian nation above party interests.

Communique Rejects Charge of Embargo Violation

AU2707190292 Bucharest ROMPRES in English 1650 GMT 27 Jul 92

[Text] Bucharest, ROMPRES, 27/7/1992—Romania firmly observes the embargo imposed by the UN Security Council against Yugoslavia, reads a communique of the press department of the Ministry of Transport released on Monday, July 27, in connection with the information broadcast by DEUTSCHE WELLE radio on July 24, 1992 which asserted that Romania continues to violate the embargo. The communique specifies that the U.S. surveillance Air Force has not flied over Romania's territory and has not any contribution in stopping Yugoslavia's supply on the land. The interruption of the road and railway traffic to Yugoslavia was and is a decision of Romania's government. No Romanian transport ship is under Soviet flag neither contributes it to Yugoslavia's supply with crude oil or with oil products.

"The Ministry of Transport expresses serious reserves as concerns the good faith of the DEUTSCHE WELLE Radio in connection with the correct information of the public opinion," the communique shows in conclusion.

Yugoslavia-Bound Barges Remain in Port

AU2707190392 Bucharest ROMPRES in English 1618 GMT 27 Jul 92

[Text] Bucharest, ROMPRES, 27/7/1992—Following Romania's observance of the embargo on Yugoslavia, eleven barges loaded with black oil, gasoline, and diesel oil which were heading towards Yugoslavia are kept in the Romanian ports.

Fourteen barges under Romanian flag—loaded with Yugoslav products for Ukraine or Regensburg (Germany)—are also in the Romanian ports of Braila, Drobeta Turnu Severin and Moldova Veche. The ships are loaded with maize and pirite.

The aforementioned ships were loaded before the beginning of the embargo on Yugoslavia.

Eleven barges and a Yugoslav unloaded barge are waiting to be operated in several Romanian ports. Those ships arrived after the embargo was set and they are free to leave the ports.

HDUR Says Prefects' Dismissal 'Unjustified'

LD2607164892 Budapest Kossuth Radio Network in Hungarian 1500 GMT 26 Jul 92

[Text] The Hungarian Democratic Union of Romania [HDUR] Presidium has issued a declaration condemning the unjustified dismissal of the prefects of Harghita and Covasna counties. The HDUR Presidium, meeting in Brasso, expressed the view that the government's decision is a political provocation against the population of the two counties and, in general, the Hungarians in Romania. The discriminative measure proves, the declaration claims, that the political leadership of the country does not trust citizens of Hungarian nationality and does not consider them suitable for the fulfillment of responsible public office posts.

HDUR leaders stress that both the democratic forces of Romania and the independent press have condemned the government's measures.

Statement Issued

[Romanian spellings for place-names provided in brackets]

LD2707215392 Budapest Kossuth Radio Network in Hungarian 1830 GMT 27 Jul 92

[Text] Our program begins with the introduction of the statement which was adopted at the week-end in Brasso [Brasov] at the session of the Presidium of the Hungarian Democratic Union of Romania [HDUR]. You can hear it thanks to Pal Mozes.

[Mozes] The national presidium of the HDUR, with the participation of the chairmen of its member organizations, held its ordinary session in Brasso on 25 July 1992. The national presidium discussed the unreasonable relief of the prefects of counties Hargita [Harghita] and Kovaszna [Covasna], and announces its resolute protest against it in a separate declaration.

The presidium turns to the population of the two counties with the proposal that they express their protest by

wearing white rosettes for a week from 1 August if the government does not withdraw its decree by then.

Second, as is well known, the HDUR had asked the Transylvanian Hungarian Cultural Society to set up the delegation which is to represent the Hungarians in Romania at the third world congress of the World Federation of Hungarians. The national presidium has heard the report of the chairman of the society on this matter, and has appointed the representatives of the organization who, in addition to the representatives of the societies which have already been registered at the World Federation of Hungarians, will participate in the official delegation.

Third, in connection with the parliamentary and presidential elections, the national presidium has heard the reports of the county chairmen on the situation of nominations, and has taken measures to organize the election campaign of HDUR interest in the Transcarpathian counties in connection with the forms of cooperation among the counties. It has dealt with the selection of the visual propaganda material and the optimum utilization of the election propaganda time provided in the programs of Romanian television and radio and the fulfillment of the obligations resulting from the regulations of the election laws and the government's schedule. In connection with the nomination of the deputies and senators, the national presidium calls upon the boards of the member organizations to consider the eighth point of the Temesvar [Timisoara] statement and consider the past behavior of the candidates in addition to their competence and suitability.

Fourth, the national presidium has accepted and adopted the statement of the county Maros [Mures] HDUR issued on 24 July 1992, which was formulated by some of the lawyers of the parliamentary group, together with lawyers of Marosvasarhely [Tirgu Mures] and Kolozsvar [Cluj-Napoca] on 23 July. The statement analyzes the grievances resulting from the jurisdiction which affected minorities and persons belonging to them during the past two and a half years, with particular regard to the most striking judicial grievance, the 10-year jail terms imposed on Pal Cseresznyes and Ernoe Barabas. The presidium considers the decision of the participants in the meeting correct; according to international agreements which have been signed by Romania as well, referring to the constitution, with the compilation of an appropriate legal documentation, they will turn to the appropriate internal and international organizations [sentence as heard].

Fifth, the national presidium has decided to convene the national council of representatives after the elections, by the middle of October this year in Kolozsvar. The next session of the national presidium will be held in Kolozsvar on 24 August 1992.

Finance Minister Reviews State Budget Issues

AU2407195892 Bucharest ROMPRES in English 0914 GMT 24 Jul 92

[Text] Bucharest, ROMPRES, 24/7/1992—The deficit of Romania's state budget on July 15, 1992, amounted to 109 billion lei, that is 20 billion lei over the expected sum, announced Minister of the Economy and Finance George Danielescu during his press conference of Thursday, July 23.

The income of the state budget increased 3.2 times over the first semester of 1992 as compared to last year's same period, while expenses increased 3.5 times.

The real income of the state budget represented 99 percent and the real expenses 105 percent of last year's same period.

Over 40 percent of the state budget's expenses consisted of subsidies and transfers, and 19.4 percent of the subsidies supported price differences.

At the same time the extra-budgetary funds registered surpluses, thus: The social security fund—12.4 billion lei; the additional pensions fund—12.4 billion lei; the unemployment allowance fund—22.3 billion lei; the research special fund—7 billion lei.

Defense Minister Lacks Faith in London Talks

LD2707202192 Budapest Kossuth Radio Network in Hungarian 1600 GMT 27 Jul 92

[Text] This afternoon, our colleague Miklos Kovacs conducted a telephone interview with Bosnian Defense Minister Jerko Doko. You can hear part of it.

[Kovacs] I do not believe in the conference that is being held in London because it is the parties that are participating in it while the people's opinion differs from that of the party leaderships, Bosnian Defense Minister Jerko Doko told Hungarian radio. He denied that the forces of Bosnia-Herzegovina are controlling an ever decreasing area of territory. This is what Doko said concerning the possibility of military intervention.

[Begin recording] I can see two possible ways out. One is for external intervention to take place. The other is ending the embargo which is preventing Bosnia-Hercegovina from purchasing arms. If this happens then even we, ourselves, will be able to resolve the crisis. The war will end only if the agressors, that is, Serbia and Crna Gora, are defeated by military force. [end recording]

Serb Leader Criticizes Muslims for Not Negotiating

LD2807090492 Belgrade TANJUG Domestic Service in Serbo-Croatian 2348 GMT 27 Jul 92

[Text] Pale, 27 Jul (TANJUG)—Radovan Karadzic, president of the Presidency of the Serbian Republic of Bosnia-Hercegovina [SRBH], said this evening that the Muslim side has dealt a serious blow to Lord Carrington and British diplomacy by refusing to negotiate again.

Europe cannot look upon the Muslim side with sympathy, he added in a telephone statement he made late this evening for SRBH radio and television.

The leader of Bosnian Serbs left open the possibility that the Muslim side might change its position and accept the invitation to talks.

"We have explicitly said our need for negotiations is much less," Karadzic said. "We have our territory with its borders; we have control over it; we have the people and authorities that are functioning. So if anybody does not want to hold talks with us—let them be, but let them not hope we will live in some kind of community, Karadzic said. [quotation marks as received]

"There is no need for a community if we continue being enemies. We want the hostilities to stop immediately and relations between the three constituent states to be established," he stressed.

Karadzic said the meeting with Jose Cutileiro and his aides was pleasant, that the Serbian delegation first informed them about the fact that Muslim forces were breaching the cease-fire and about the Serbian position.

According to him, Cutileiro offered them a new document that is still based on the principles adopted on 18 March in Lisbon, and that envisages, as he said, "three constituent states" in Bosnia-Hercegovina. He refused, however, to discuss the new proposal because the Serbian delegation is still examining it with the help of its team of experts.

In a long statement for SRBH radio and television, Karadzic said the talks will continue tomorrow and that the Serbian delegation will stay in London for at least three days.

Karakzic Urges Freedom For 'Ethnic Hostages'

LD2807083192 Belgrade TANJUG in English 0422 GMT 28 Jul 92

[Text] Sarajevo, July 28 (TANJUG)—The Serb delegation to the tripartite indirect negotiations in London on Bosnia-Hercegovina's future is working for setting all "ethnic hostages" free in the said one-time Yugoslavia's central republic, Radovan Karadzic, leader of Bosnia's Serbs, said Monday evening.

In a statement to the SRNA, the news agency of the Serb national community in Bosnia, the first negotiating day in London over, Karadzic said that those people should be allowed to freely move and leave the towns in which they are kept as hostages.

Karadzic said that the Serb delegation insists on having all Serb civilians set free from camps first, and then from towns converted into camps, such as Sarajevo, Konjic, Gorazde, Zenica and others.

Serb Leader Proposes Extension of Cease-Fire

LD2707204892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1910 GMT 27 Jul 92

[Text] Lukavica, 27 Jul (TANJUG)—Biljana Plavsic, member of the Presidency of the Serbian Republic of Bosnia-Hercegovina, today proposed to General Satish Nambiar, head of the UN peacekeeping forces in Yugoslavia, that the London cease-fire agreement be extended for about 10 days so that corridors are opened for people who want to leave Sarajevo.

A meeting between Plavsic and Nambiar took place at his invitation. General MacKenzie, head of the UN Protection Force [UNPROFOR] headquarters, and representatives of the French battalion that is taking over the task of securing Sarajevo airport in two days, took part in the meeting.

Following the talks, Plavsic told journalists that they had discussed the deployment of the French battalion and further cooperation with UNPROFOR.

"Mr. Nambiar suggested that the Serb side extend its hand so that the existing tensions can be diffused somehow. I replied that we have been offering peace for some time and drew his attention to the fact that 98 soldiers have been killed and 265 wounded since 19 July, that is since the London agreement was due to come into

force. In the meantime, several villages have been burned down, and the population brutally murdered," she said, adding that she supplied documentation supporting this to Gen. Nambiar.

Regarding the proposal to open corridors, Plavsic made the assessment that the Serbian proposal met with approval from UNPROFOR.

The Bosnian Serb side asked for 10 corridors to be opened to allow the people of Sarajevo either to leave the city or to move into the city districts controlled by forces of their own nationality, she explained. To achieve this the first condition that must be fulfilled is a cease-fire and that is why, according to her, the existing cease-fire should be extended.

However, the problem facing us is how to accomplish this because there are no guarantees that an individual will not open fire on his own initiative and since the Muslim side has not given the go-ahead, Plavsic warned, adding that she had asked Mr. Nambiar to use his own authoritiy to ensure that the idea about opening the corridors can be implemented.

With reference to claims by Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, about the existence of 57 concentration camps for Muslim women and children in the Serb Republic of Bosnia-Hercegovina, Dr. Biljana Plavsic said that she had asked President [as received] Nambiar and his aides to specify the location of at least one such camp, and if they do she will go there immediately.

"Serbs have never set up concentration camps and will not start doing so now. What they do have, however, are prisons, which exist in every war," she said, adding that she had informed UNPROFOR representatives of the exact location of the concentration camps in which Serbs of Bosnia-Hercegovina are being held.

Serb Defense Minister Views Situation

LD2707175192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1629 GMT 27 Jul 92

[Text] Banja Luka, 27 Jul (TANJUG)—"We offer peace to the other side, even when peace is not to our advantage," Colonel Bogdan Subotic, defense minister of the Serbian Republic of Bosnia-Hercegovina, said at a press conference in Banja Luka today.

To this end, Subotic explained, we allowed the UN Protection Force to photograph our positions and even to place geophones by our weapons. "This shows that we are hiding nothing from them, that we have no reasons to fear."

Asked about possible foreign military intervention in Bosnia-Hercegovina, he said: "That danger has not been removed, but we will not give in no matter how many of us are left. An attack on us would be the most insane decision possible, because it would mean enormous human casualties among the attackers."

Assessing the current war situation in Bosnia, Minister Subotic said: "Croatia is again bringing its brigades, comprising most extremist mercenaries and bandits, to the Bosnia-Hercegovina theater." This, according to him, should not cause much concern, because Croatia deployed 32,000 soldiers in previous operations, but they, as could be seen, did not achieve their set goals.

Journalists also asked about "private armies and their immoral behavior." "I will repeat the well-known truth that there can be no army without army discipline," Subotic said, adding: "This is not just true about unnecessary firing and waste of ammunition, but also about their personal appearance and the condition of their equipment and weapons. I can assert that real fighters and soldiers are not firing in our settlements. We will thus do everything to insure that all armed Serbs are placed under a single command, which unfortunately is not the case now."

Journalists wanted to find out about the stand of the government of the Serbian Republic of Bosnia-Hercegovina regarding war presidencies. "The Presidency of the Serbian Republic of Bosnia-Hercegovina has dissolved such bodies in all areas where conditions for the work of legally elected authorities exist. In this sense, there are no reasons for the war presidency of the Autonomous Region of [Bosnian] Krajina to exist."

Serb Republic Parliament Defines Borders

LD2607185392 Belgrade TANJUG in English 1635 GMT 26 Jul 92

["Pool" item]

[Text] Sarajevo, July 26 (TANJUG)—The Serb Republic of Bosnia-Hercegovina has defined its borders and has decided to mark them in their undisputed sections.

The decision was adopted unanimously by the republican parliament at a session held, because of the current war, on Mt Jahorina, in central parts of the former Yugoslav Republic of Bosnia-Hercegovina, late on Saturday [25 July].

The Serb Republic of Bosnia-Hercegovina was proclaimed on April 7, after the European Community recognized the independence of Bosnia-Hercegovina without the consent of Serbs, one of its three constituent peoples.

On July 3, Croats proclaimed their own state within Bosnia-Hercegovina and called it Herceg-Bosnia.

Serbs and Croats want Bosnia-Hercegovina to be organized on the principle of ethnic cantons, while Moslems insist on a unitary state where they, in a possible coalition with Croats, would dominate over Serbs. Moslems make up 44 percent of Bosnia-Hercegovina's population, Serbs 32 percent and Croats 17.

Parliament of the Serb Republic of Bosnia-Hercegovina ended its session early in the morning on Sunday by addressing an appeal to the Moslem and Croat side for

an end of hostilities. The parliament proposed to the leadership of the Moslem community in Bosnia to open bilateral negotiations, and to the Croat side to resume talks on territorial demarcation.

As far as the controversial borders are concerned, they will continue to be discussed by the three constituent ethnic communities in Bosnia-Hercegovina.

The basic criteria by which the borders were determined are ethnic and majority ones rather than historical. The Serbian people is waging a defensive war and not a war of conquest, said the parliament explaining its decision.

Set to the external borders of the Serb Republic of Bosnia-Hercegovina have been the strategic points along the following lines: the Una River in the west, the Sava River in the north, the border of the Federal Republic of Yugoslavia in the east, and the border of the former Yugoslav Republic of Croatia in the south, Minister of Information Velibor Ostojic said in an interview to TANJUG.

In the south-east, the Serb Republic of Bosnia-Hercegovina partly borders on Croatia and partly on the Serb Republic of Krajina.

The Republic of Serb Krajina was formed last year in predominantly Serb-populated areas within the administrative borders of Croatia, as a reaction to Croatia's secession from Yugoslavia and the attempts of Croatian authorities to downgrade the Serbian people to the status of ethnic minority.

The republic's internal borders - said Ostojic - run along the lines of ethnic contact between Serbs and other peoples in the geographic area of Bosnia-Hercegovina and remain subject to an understanding.

The decision adopted by the parliament of the Serb Republic of Bosnia-Hercegovina will be taken as a point of departure by the Serb delegation to negotiations at the E.C.-brokered conference on Bosnia-Hercegovina resuming in London on July 27.

On July 17 in London, the three confronted sides signed a two-week ceasefire agreement which was to go effect on July 19, but did not hold.

The delegation of the Serb Republic of Bosnia-Hercegovina, to be headed by President of the Presidency Radovan Karadzic, was authorized to make corrections in the state border during the talks.

The stand taken by deputies to the parliament of the Serb Republic of Bosnia-Hercegovina is that the republic exists by the will of its people and has its borders and its authorities, and that the negotiations can only continue on the basis of the Lisbon agreement.

On March 18 in Lisbon, the parties to the conflict in Bosnia-Hercegovina reached an understanding on its division along the ethnic lines. The maps of ethnic demarcation were also worked out.

Soon after Bosnia-Hercegovina's admission to the U.N. membership, however, the Moslem delegation quit the [word indistinct] and definitively withdrew from its negotiations.

Eight Different Currencies Circulating in Bosnia

LD2407134392 Belgrade TANJUG in English 0949 GMT 24 Jul 92

[Text] Belgrade, July 24 (TANJUG)—Lacking a currency of their own, the people in the former Yugoslav Republic of Bosnia-Hercegovina are using at least eight other currencies, the Belgrade daily BORBA writes on Friday [24 July].

Bosnia-Hercegovina—the world's newest state recognized by the European Community on April 7—has not yet printed its own money although the government said it would be put in circulation on July 1.

BORBA quotes Bosnian Moslem President Alija Izetbegovic as saying that the money "has been printed but cannot be brought to the country."

For the past three and a half months, Bosnia-Hercegovina has been the scene of fierce inter-ethnic fighting between Moslems and Croats on one side, and Serbs on the other. Moslems account for 44 per cent of the republic's population, Serbs for 32 per cent and Croats for 17 per cent.

BORBA learns unofficially that the Bosnian money has been printed in Switzerland and that the printing costs have been borne by Saudi Arabia. The new currency will be called the dinar, like the currency of former Yugoslavia.

The money in circulation in the territory controlled by Croats is the Croatian dinar, the currency of the neighbouring Republic of Croatia which, like Bosnia, has seceded from Yugoslavia.

On July 3, Bosnian Croats proclaimed their own state which they call Herzeg-Bosnia.

Serbs in Bosnia-Hercegovina, who have also proclaimed their own republic in the territories where they are the majority population, have introduced their own currency on July 1.

Bosnia-Hercegovina's central Moslem-Croat authorities use the dinar banknotes of former Yugoslavia stamped by the National Bank of Bosnia-Hercegovina. BORBA says these banknotes are only in use in Sarajevo, as it is impossible to distribute them outside the besieged Bosnian capital.

The authorities in the nearby towns of Zenica and Visoko recently issued coupons in lieu of money.

To complicate the situation further, people in Bosnia-Hercegovina largely use the German mark in money transactions.

UN Force Accused of Interfering in RSK Affairs

LD2707184792 Belgrade TANJUG in English 1730 GMT 27 Jul 92

[Excerpt] Beli Manastir, July 27 (TANJUG)—Civilian authorities in Beli Manastir, the administrative capital of Baranja in the extreme east of the Republic of Serb Krajina (RSK), on Monday [27 July] refused to allow officials of the United Nations' Protection Force Yugoslavia (UNPROFOR) to interfere into their s[illegible] of activity.

This attitude on the part of the civilian authorities w[illegible] prompted by increasingly frequent demands addressed by UNPROFOR officials headquartered in Beli Manastir to some municipalities to hold a census, which should be organized by UNPROFOR.

The civilian authorities said that the Belgian-Luxembourg battalion was there to protect Baranja and safeguard the ceasefire, and not to pursue its policy as regards the functioning of the local civilian authorities.

This kind of conduct on the part of UNPROFOR officials prejudges the solution of the problem which can be resolved only through political dialogue between the sides in conflict, the civilian authorities in Beli Manastir said. [passage omitted]

Police 'Instructed' To Withdraw From 'Pink Zone'

LD2707200192 Belgrade TANJUG in English 1836 GMT 27 Jul 92

["Pool" item]

[Excerpt] Knin, July 27 (TANJUG)—Viktor Andreyev, director of the civilian component of the U.N. Protection Force (UNPROFOR) sector south, on Monday [27 July] instructed Croatia to withdraw its police force from the area of Drnis, a town in the so-called pink zone.

Speaking at a news conference in Knin, Andreyev said that the Croatian police troops' withdrawal was provided for under U.N. Security Council Resolution No. 762, which had the force of an order. If Croatia fails to comply, the U.N. Security Council will find the way to implement the resolution, Andreyev said.

The Army of the former Yugoslav Republic of Croatia mounted an offensive on June 21 and seized the Miljevac Plateau in the area of Drnis. However, threatened by U.N. sanctions, Croatia has agreed to withdraw its troops from the area, which is controlled by the Army of the Republic of Serb Krajina (R.S.K.).

There are about 80 Croatian police troops stationed on the Miljevac Plateau at this time and sources close to the R.S.K. Government have told us that they are Croatian Army troops wearing police uniforms, said Andreyev.

The R.S.K. was proclaimed last year in territories within the administrative borders of Croatia where Serbs are the majority population, in response to Croatia's secession from Yugoslavia and the downgrading of the local Serbs to an ethnic minority. It has been placed under U.N. protection in order to put a stop to subsequent fighting.

The pink zone, situated along the borders of the R.S.K., is controlled by the R.S.K. Army and the original U.N. plan did not envisaged for its protection by U.N. forces, but only for UNPROFOR observers until a political solution has been found.

Andreyev said that the presence of Croatian police troops on the Miljevac Plateau was hindering UNPROFOR from assuming full responsibility in the area. [passage omitted]

Tudjman Speaks About Recovering Istria Region

LD2707035492 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 26 Jul 92

[Ranko Borovecki report from Pula]

[Text] Istria must not search for its own way into Europe, because it would mean the undermining of Croatia and Croathood. Istria can enter Europe only as part of Croatia. This was the message to people gathered in Pula late this evening by Dr. Franjo Tudjman, who spoke at an election meeting organized by the Croatian Democratic Community [HDZ]. Those who say that Zagreb will develop at Istria's expense are lying. It is up to the citizens of Istria to choose this region's status in Croatia, Dr. Tudjman said. He went on to add that Istria could progress only if it joined Croatia and its efforts to develop, not by following those who wish to take Istria out of Croatia.

In the last elections, the HDZ was not received in Istria in the way we had expected, although it was in other parts of the country. The reason was that the anti-people and anti-Croatian grip on the people was much tighter in Istria. The people of Istria must devote a great deal of attention to this fact; soon they will be given another opportunity to show their attitude toward Croatia. Croatia will not allow any changes in its borders, in Istria least of all.

Speaking about the areas under UNPROFOR [UN Protection Force] control, Dr. Tudjman said that if UNPROFOR failed to ensure the restoration of Croatian authorities there, Croatia would do it on its own, with help from its Army. It is only a question of weeks or months before displaced persons will be able to return to their homes, Dr. Tudjman said.

Speaking in Pula this evening, Dr. Tudjman also warned people that they should not simply insist on their rights but also remember the obligations which they had to be carried out on behalf of the newly created Croatian state.

International

UN Office Issues Figures on 2.2 Million Refugees

AU2807091892 Paris AFP in English 0739 GMT 28 Jul 92

[Text] Geneva, July 28 (AFP)—Civil wars fueled by ethnic hatred in the former Yugoslavia have forced over 2.2 million people from their homes, mainly in Croatia and Bosnia-Hercegovina, according to U.N. figures.

The population of these two republics before the war was about nine million. Fighting started when Croatia and Slovenia declared independence from the Serb-dominated Yugoslav federation in June 1991.

The U.N. High Commissioner for Refugees (UNHCR) has issued the following figures for the refugee flow, compiled from data from governments as of July 22.

A total of 1,810,000 refugees were still in former Yugoslavia while 416,000 have found asylum in other countries.

Here is the breakdown for the six republics of former Yugoslavia (the rump federation of Serbia and Montenegro now claims to be Yugoslavia but is not recognized internationally):

Croatia	628,500 (265,500 from Croatia, 332,000 from Bosnia-Hercegovina, 12,000 from Kosovo and 19,000 from Vojvodina)
Bosnia-Hercegovina	593,000 (500,000 Bosnians and 93,000 from Croatia)
Serbia	375,000 (210,500 from Bosnia-Hercegovina and 164,500 from Croatia)
Slovenia	66,000 (63,000 from Bosnia-Hercegovina and 3,000 from Croatia)
Montenegro	48,500 (41,000 from Bosnia-Hercegovina and 7,500 from Croatia)
Macedonia	31,000 (28,500 from Bosnia-Hercegovina and 2,500 from Croatia)
U.N. protected zones in Croatia	69,000

Refugees outside ex-Yugoslavia

Germany	200,000
Austria	50,000
Hungary	50,000
Sweden	44,167
Switzerland	17,573
Italy	7,000
Netherlands	6,300
Norway	2,331
Denmark	1,637
Poland	1,500
France	1,108
Britain	1,100
Luxembourg	1,000
Finland	982
Belgium	870
Spain	120
Czechoslovakia	97
Greece	7
Iceland	3
Others	30,000
Total	415,795

Federal

Foreign Trade Figures Show Blockade Effects

AU2707143892 Belgrade BORBA in Serbo-Croatian 14 Jul 92 p 7

[B. Jager report: "Last Swallows Seen Off"]

[Text] The month of June produced the worst foreign trade figures recorded in the last 12 years. According to the customs report, the FRY exported goods worth $172 million, which is half the figure for May. It is still uncertain whether, in view of the sanctions, those goods will actually be accepted by the customers. According to statistics presented at yesterday's news conference, the June customs duty on imported goods for June amounted to $224 million, which represents a reduction of 37.4 percent in relation to the previous month. It is important to point out that these were mostly goods which had been ordered before the imposition of the blockade upon which a duty has not been paid for for various reasons. Therefore, even these modest figures do not reflect the full effect of the blockade, as a result of which foreign trade has almost come to a standstill. In June, for example, imports of medical supplies amounted to only $382,000, while the amount of imported food was valued at $33 million.

In the first six months of the year, total exports amounted to $1.764 billion, which is 29 percent less than last year. Imports to the FRY were valued at $2.665 billion, which is almost 12 percent less than last year. The coverage of imports by exports has been reduced to only 66.2 percent, and the trade deficit in international exchange over the same period has reached $901 million.

Foreign currency reserves are running out because exports to convertible areas have decreased by 25 percent in the first six months of the year, while exports to the clearing market have almost come to a complete standstill, showing a "profit" of a mere $3 million. Convertible exports in this six-month period have fallen by 7.5 percent. Imported capital goods have been valued at $392 million and consumer goods at $415 million, while the largest category has been that of raw materials—$1.858 billion. In other words, the reserves needed to maintain industrial production and sufficient supplies for the domestic market cannot last under the blockade.

Serbia

Pankov Says Conference Would Mean Call For 'War'

LD2607205392 Belgrade TANJUG in English 1942 GMT 26 Jul 92

[Text] Belgrade, July 26 (TANJUG)—Vice-president of the Serbian Parliament Radovan Pankov said on Sunday [26 July] a peace conference on the Serbian Province of Kosovo and Metohija would be a call for new war conflicts.

President of the Conference on Yugoslavia Lord Carrington proposed the holding of such a conference to the Yugoslav and [words indistinct] presidents Dobrica Cosic and Slobodan Milosevic in Belgrade on Tuesday, but the proposal was firmly rejected. Cosic and Milosevic told Carrington the problem of Kosovo was only Yugoslavia's and Serbia's problem and should be resolved as such.

On Sunday, Carrington said he did not proposed a conference on Kosovo, but E.C.-sponsored talks between ethnic Albanians in Kosovo and the Serbian authorities.

Pankov, addressing a gathering in southern Srem in the northern Serbian Province of Vojvodina, said it was now clear who was the one seeking conflicts in peaceful Kosovo, but added Serbia would do everything to avert them.

"The Serbian leadership understands the reality of international relations, but cannot allow Serbia to lose its independence," said Pankov.

The fact that some neighbouring countries have in the past several decades [words indistinct] claims on Serbia and Montenegro (making up the Federal Republic of Yugoslavia) is being neglected when the Yugoslav crisis is discussed, Pankov set out. [Words indistinct] the terrain is now being prepared for various forms of annexation or even a military intervention to annex these territories, he added.

[Words indistinct] of the political parties, rallying ethnic Albanians in Kosovo and Metohija, are trying to make the province a republic, secede it from Yugoslavia and join it to Albania, Pankov said. To achieve this, he added, they are using the excuse of struggling for human rights, and are supported primarily by neighbouring Albania.

Almost all opposition parties in Serbia, except for those from Kosovo, supported Cosic's and Milosevic's rejection that problems, if any, of ethnic Albanians in Kosovo be made an international issue. They said talks with national minorities should be held, but with full respect for Serbia's and Yugoslavia's territorial integrity.

Draskovic Says Milosevic Uses Panic As 'Mascot'

AU2707174192 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 27 Jul 92

[Olivija Rusovac report on news conference by Vuk Draskovic, president of the Serbian Renewal Movement, at the Belgrade International Press Center on 27 July]

[Text] The regime in Serbia won itself a break. A month after the St. Vitus Day gathering, it is using the law concerning POLITIKA, the situation with Serbian radio and television, the commissary-like management of the local media, and threats to Radio B-92 and Studio B to try to win the elections and then proclaim that the Socialist Party of Serbia is eternal.

We demand that the electoral laws be passed behind a roundtable and to lift the blockade on all media. From that moment, the 90-day countdown for the elections can begin. In the opposite case, Draskovic says, the Serbian Renewal Movement, and probably also the parties within the DEPOS [Democratic Opposition of Serbia] will not enter the elections.

Prime Minister Milan Panic provided [Serbian President] Slobodan Milosevic with a break and he is now using Panic as a mascot for the Hollywood trips, Draskovic says. Nothing will come out of his mission unless he enters a (?low intensity) conflict with those who had called him. As regards actual power, Milosevic and Bush are in similar positions, while Panic does not even have the power of a governor, Draskovic says. Answering a question concerning the surrounding of party headquarters by special unit members, Draskovic replied that those were the special units from Sarajevo who were supposed to kidnap him and take him to war. The red berets are sowing fear in the Krajinas, and they were formed by people close to Milosevic, Draskovic said.

Draskovic disputed any moral right to be called into the war by the Bosnian leaders who were given apartments in Belgrade and who are commanding the war from gambling houses with expensive air-conditioning systems.

DEPOS Proposal for Round Table Submitted

92BA1232A Belgrade BORBA in Serbo-Croatian 7 Jul 92 p 7

[Proposal by the Council of Democratic Movement of Serbia submitted to the president of the republic, the government, and National Assembly of Serbia: "A Round Table for Democracy"]

[Text] The Council of DEPOS [Democratic Movement of Serbia] yesterday sent a request for convening a round table to the president of the republic, to the government, and to the Serbian Assembly. The letter said:

Since its founding, the DEMOCRATIC MOVEMENT OF SERBIA has consistently advocated establishment of true democracy in Serbia and that this be done in the manner that pays the highest respect to the sovereign will

of the citizens: Holding elections for a Constitutional Assembly which would be commissioned to adopt a new Constitution of Serbia in order to resolve all the dilemmas concerning the form and exercise of government, the country's political system, and basic economic and social institutions. But if elections to the Constitutional Assembly are to be conducted as they should be, under equal conditions for all political entities, fundamental changes are necessary in the present laws on elections, the news media, and political parties.

The DEMOCRATIC MOVEMENT OF SERBIA takes the position that new, fairer, and more appropriate laws in these three areas would have to be adopted through the institution of a Round Table that would be convened by the authorities in Serbia in agreement with all the relevant political factors in the republic. The DEMOCRATIC MOVEMENT OF SERBIA believes that that agreement must contain the following elements:

1. The government renounces some of its legislative powers and actually passes them over to the Round Table, at which proposed versions of the relevant laws would be arrived at by consensus of all participants. The National Assembly of Serbia commits itself in advance to adopt the bills agreed to in this manner, and the president of the Republic of Serbia agrees to promulgate them as law in his ukase within the period envisaged by the Constitution. The government of the Republic of Serbia also renounces in advance some of its executive and administrative powers and transfers them to the Round Table, which in the course of the elections would perform the role of the highest body overseeing their proper conduct.

2. The relevant political factors are (a) the republic government and (b) the political parties or coalitions, alliances, and associations of them. In some cases (in Poland, for example), the Round Table was bilateral: Its participants were the government on one side and the political opposition united in Solidarity on the other. Political conditions in Serbia, including the present positions taken by the ethnic minorities and their parties, argue that our Round Table be multilateral. In addition to the government, all parliamentary parties or their associations certainly should participate in it, as well as important forces which up to now have not taken part in the parliamentary life of Serbia (the political parties of Kosovo Albanians, for instance).

3. The DEMOCRATIC MOVEMENT OF SERBIA also supports in principle the initiative for a broader agreement of party and nonparty factors in Serbia concerning all essential aspects of the present governmental crisis. But since elections to the Constitutional Assembly are the best way of resolving that crisis by peaceful democratic means, the calling of the Round Table at which all would by consensus set forth the conditions for free and honest elections is a necessary first step toward pacifying the political conflicts and establishing authentic dialogue between the government and the opposition in Serbia.

Present political conditions in Serbia, along with the entire international position of Serbia and Montenegro, are such that democratic initiatives of this kind do not have much time left: The DEMOCRATIC MOVEMENT OF SERBIA therefore calls upon all members of the republic government to immediately accept this offer as presented for convening a Round Table and undertake its realization.

Montenegro

FRY President Arrives, Talks With Bulatovic

LD2707104892 Belgrade TANJUG in English 0946 GMT 27 Jul 92

[Text] Podgorica, July 27 (TANJUG)—President of the Federal Republic of Yugoslavia Dobrica Cosic arrived on a two-day visit to Montenegro on Monday [27 July].

President Cosic was met at the airport in Podgorica by President of the Presidency of Montenegro Momir Bulatovic.

Immediately on arrival, President Cosic started talks with the republican leadership in government building. The Republics of Serbia and Montenegro make up the Federal Republic of Yugoslavia.

Cosic will meet with the heads of the three religious communities in Montenegro (Orthodox, Islamic and Catholic) in Podgorica on Tuesday, said the Republican Information Secretariat.

Comments on Talks

AU2707202792 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 27 Jul 92

[Statements by Momir Bulatovic, president of the Presidency of Montenegro, and Dobrica Cosic, president of the Federal Republic of Yugoslavia, at a news conference in Podgorica on 27 July—recorded]

[Text] [Bulatovic] We devoted the greatest part of our first meeting today to the harmonization and coordination of activities concerning amendments to the Constitutions of the Federal Republic of Yugoslavia and the adoption and promulgation of the new Constitution of the Federal Republic of Yugoslavia ... [corrects himself] I beg your pardon, the new Constitution of the Republic of Montenegro, bearing in mind, of course, all the work that has been adopted in the Assembly of the Federal Republic of Yugoslavia and that has been planned in the Assembly of the Republic of Montenegro for a long time. This is the creation of a democratic, legal infrastructure for holding elections for all organs of authority, for communal, republican, and federal organs of authority.

We briefed President Cosic on our contacts with the parliamentary parties and on our wish to coordinate activities in either the so-called democratic forums or round table multiparty discussions that would lead toward the creation of

conditions for holding new elections in a completely democratic, fair, and, from the point of view of the political parties, harmonious atmosphere.

[Cosic] Today, I had the opportunity to hear a wide-ranging description of the situation in Montenegro. I also heard the views of the leading individuals concerning construction of the Federal state.

I would like to point out that I am very happy with the fact that our views are identical, that there are no significant differences with regard to the drafting of the constitutional reform and the construction of the new Federal state.

Our aim is the same, and the way to it can only be democratic. The age and the times have passed when means and aims did not go step in step. Our obligation to the people and the future of this country is to bring the means and aims into harmony and to achieve what is the most fundamental for our survival, namely unity in equality, and unity based on equality. If there was a general political conclusion, if there was something in my first meeting with you that could be said as a general message, I am free to say it in the form of a motto: unity based on equality, and unity in equality, as the aim of the state, as the foundation of the new state's strategy.

We are certainly facing a task of conceptualizing a new state strategy, a new development strategy, and a new strategy in domestic and foreign policy. I do not doubt that the Federal Republic of Yugoslavia, that the peoples of Montenegro and Serbia, have the strength for a radical democratic transformation and for the creation of a truly, and I shall not be modest when I say this, model democratic society. This society cannot be created with any kind of declarations, nor any decisions. This is certainly a lengthy process, but it is quite certain that our political will is to wholeheartedly embark on this process of renaissance and the creation of a modern civilized state, a wealth-creating society and educated society, and I expect your wholehearted support.

Says Sandzak Will Not Become Islamic State

LD2807081792 Belgrade TANJUG in English 2353 GMT 27 Jul 92

[Text] Plevlja, July 27 (TANJUG)—The region of Sandzak, situated partly in the Republic of Serbia and partly in the Republic of Montenegro, will become neither an Islamic state nor will get any special status, Dobrica Cosic, president of the Federal Republic of Yugoslavia (FRY), pointed out Monday [27 July].

Cosic said so while on a visit to the town of Plevlja, a Sandzak multinational place in Montenegro, where, together with Momir Bulatovic, president of Montenegro's presidency, he had talks with local representatives.

Out of 350,000 inhabitants of Sandzak, Moslems account for about 180,000.

Sulejman Ugljanin, leader of Sandzak's Moslem Democratic Action Party, said the other day that he is going to insist on at least a special status for Sandzak, if not on the status of a republic. And threatened Serbia and Montenegro with—Turkey, the Ottoman Empire having ruled Sandzak at its time.

Representatives of the Islamic community and of the Moslem Democratic Action Party at Plevlja complained to Cosic and Bulatovic of the local Moslems' property being in danger and asked that local police (militia) be more efficient in finding those who do damage to their shops.

Those who commit excesses like that can be found among all nationalities and religions, Cosic said, recommending to the Plevlja people to try to "bring to reason such people of short wits and shallow minds."

For his part, Bulatovic emphasized that "he who decides to shoot to kill somebody else only because of this somebody else being of a different religion or nation will have, symbolically speaking, to shoot at me and at this state (Yugoslavia or its constituent Republic of Montenegro) presented by us."

There is a wish in some mass information media to misrepresent the town of Plevlja as if obsessed by hatred for its Moslems, but the people in this part wish only peace and good-neighbourly relations with all who feel an interest in peace," Momcilo Bojovic, the mayor of Plevlja said.

Democratic Party Calls For Protection of Muslims

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[Text] Podgorica, 23 Jul (TANJUG)—Harun Hadzic, chairman of the Party of Democratic Action of Montenegro, sent a letter to President Momir Bulatovic calling on him to take protective measures for the Muslim population in this republic. In the letter he says that terror of the Muslim population has been perpetrated in Pljevlja, Bijelo Polje, Podgorica, and Berane over the past few months.

"Various extremists, chetniks, and nationalists, who are usually disguised in uniforms of the Yugoslav Army (reservists) have been killing Muslims, and have been mining their apartments, houses, shops, and cars. In this way, they have been spreading fear and a feeling of uncertainty among them. Neither religious buildings nor the Muslim clergy have been spared," Hadzic says in the letter.

He adds that the Party of Democratic Action has called on several occasions on the competent state bodies of Montenegro both in writing and in direct contacts to offer protection to the Muslims on the territory of this republic, but there have been no results. The situation is becoming worse. Hadzic calls on Bulatovic to make a public statement regarding this issue, because in his opinion it will have positive effects.